Solvency and Financial Condition Report

2024

Achmea 2024

Single Group Wide

Solvency and Financial Condition Report

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1. SUMMARY

1.1. INTRODUCTION

Achmea's approach to the Solvency and Financial Condition Report

Achmea Group (hereafter 'Achmea' or 'Group') discloses its solvency position, governance and risk management practices by means of a Single Group-Wide Solvency and Financial Condition Report (SGW-SFCR). The information in the SGW-SFCR consists of the solvency position of Achmea B.V., the supervised entities and all other legal entities belonging to Achmea.

The Quantitative Reporting Templates (QRTs), which are required to be publicly disclosed and which provide quantitative information in accordance with Solvency II as at 31 December 2024, are included in the Appendix 6 to this SGW-SFCR.

All amounts in this report and in the tables are presented in millions of euros, unless stated otherwise. Consequently, rounding differences may occur.

Achmea Partial Internal Model (PIM)

Entities within Achmea and Achmea as a group are using either the Standard Formula or a Partial Internal Model[1].

- The Dutch Health insurance entities, Union Poist'ovna A.S. (Slovakia), Eureko Sigorta A.S. (Türkiye) and Interamerican Assistance Insurance Company S.A. (Greece) are using the Standard Formula.
- The other insurance entities and the group are using a Partial Internal Model (PIM).
- Achmea Bank N.V. uses the standardised approach as laid down in the Capital Requirements Directive and CRR Regulation and uses the IRB-advanced model.

The scope of the PIM to calculate the insurance related Solvency Capital Requirement (SCR):

- Non-Life Underwriting Premium and Reserve Risk stemming from the Greek and Dutch Non-Life insurance activities. Achmea Reinsurance Company N.V. does not use an internal model for Non-Life underwriting Premium and Reserve Risk.
- Health Similar to Non-Life (NSLT) Health Underwriting Premium and Reserve Risk[2] stemming from the Greek and Dutch Non-Life insurance activities.
- Non-Life Natural Catastrophe Risk stemming from the Greek and Dutch insurance activities (excluding external incoming reinsurance contracts, only business stemming from entities within Achmea B.V.).
- Health underwriting Risk Similar to Life (SLT) (Disability/morbidity and revision risk) stemming from the Dutch Non-Life insurance activities.
- Interest Rate Risk, Equity Risk, Property Risk and Spread Risk for the Dutch insurance entities[3] and Achmea (stemming from the entities using an internal model for Market Risk, Market Risk stemming from the legal entity Achmea B.V. and Market Risk stemming from the Dutch Health insurance entities is included in the consolidated data).

Other risks and risk types are calculated using the Standard Formula (SF).

Achmea Investment Management B.V., Achmea IM AM B.V., Achmea IM FM B.V., Achmea Real Estate B.V., Achmea Mortgage Funds B.V. and Centraal Beheer PPI N.V. are included in the Solvency II consolidation for Achmea Group based on their sectoral capital requirements.

[1] The Standard Formula is the Solvency Capital Requirement calculated by means of the method embedded in the Solvency II legislation and which is available to all insurers across Europe. The Partial Internal Model is a methodology which is unique for the insurer which complies with all the principles of Solvency II and which can only be used after explicit endorsement of the supervisor(s).

[2] Health Not Similar to Life Techniques risks are present in sickness and accident insurance (short-term).

[3] For Dutch Health entities, no Partial Internal Model for Market Risk is used at entity level.

1.2. BUSINESS AND PERFORMANCE

Results

The operational result[4] of Achmea increased strongly to € 845 million (2023: € 628 million):
- Operational result increased by € 217 million (37%) mainly due to a higher insurance service result at Pension & Life and International Activities, and a higher result for Health Netherlands.
- Net result of € 1,303 million (2023: € 814 million), underpinned by higher operational result and favourable development financial markets. Growth in all segments; premiums increased to € 24.8 billion. Strong revenue growth in international activities, Health and Non-Life. Assets under Management rose 22% to € 265 billion.
- Solvency solid at 182%; increase in Solvency Capital Requirement due to higher Market Risk, Health Risk and other developments. This is offset by higher Eligible Own Funds due to the positive market developments.
- Good NPS-scores based on high appreciation for our employees, swift claim handling and supported by strategic investments in data and digitisation.
- Strong execution and realisation sustainability ambitions; both on our own footprint, as an investor and as a driver of social debate.

Non-Life Netherlands achieved an operational result of € 300 million, in line with 2023 (2023: € 309 million). In Private and SME (P&C), premium indexations compensated for the impact of the overall increase in claims costs as a result of persistent inflation. In addition, there were fewer major claims in 2024 than in 2023. At Income Protection, the result is under pressure due to increasing absenteeism and higher claims inflow into the WIA disability portfolio. The operational result for Health Netherlands increased to € 241 million (2023: € 187 million) driven by a higher operational financial result. The insurance service result was stable despite the capital deployment in 2024 for loss making premiums 2025, partly due to increased economies of scale driven by the increase in policyholders in 2024. At Pension & Life Netherlands, the operational result increased to € 354 million (2023: € 208 million) due to an increase in the operational financial result driven by higher investment returns. The insurance service result increased as 2023 included an addition to the provision for the final agreement on Unit Linked policies.

At Retirement Services, the result decreased to € 32 million in 2024 (2023: € 47 million), mainly due to investments related to the new pension system at Achmea Pension Services and investment in future growth at CB PPI. Adjusted for these one-offs the underlying development is positive. The result of Achmea Bank increased driven by growth in the mortgage portfolio. The result at Achmea Investment Management increased driven by the growth in Assets under Management onboarding of new clients and expansion of services for existing clients. The operational result for other activities was stable at €- 129 million (2023: €- 129 million). The result in other activities includes the operational result of Achmea Reinsurance Company N.V., and the expenses of the holding company and shared service activities, as well as the financing costs for bonds issued by Achmea. The operational result of Achmea Reinsurance Company N.V. increased by € 30 million to € 51 million due to lower net claim expenses given the absence of large natural catastrophe claims and a higher operational financial result. The operational result of the holding company decreased due to higher interest expenses due to the early refinancing of Tier 2 notes in April 2024.

The operational result for international activities in 2024 amounted to € 47 million (2023: € 6 million). Australia's operational result increased by € 15 million to € 10 million in 2024 (2023: €- 5 million) due to portfolio growth, premium adjustments and lower claims expenses, partly due to the absence of major weather-related calamities. Greece's operational result increased to € 21 million (2023: € 2 million) due to an increase in the number of insured, premium adjustments and a lower frequency of claims. The results of 2023 included the effects of storm Daniel. Türkiye’s operational result increased to € 36 million (2023: € 4 million). In 2023, the operational result was adversely affected by the earthquake in February 2023. The insurance result improved in 2024 due to increased sales and a decrease in claims ratio. Additionally, the net financial result benefited from higher financial income compared to last year. Slovakia's operational result decreased to €- 16 million (2023: € 14 million). The result was lower due to higher health care cost which were not fully compensated by the government contribution. Additionally, the motor and property portfolio showed higher claims ratio compared to last year. Canada's operational result was in line with last year. The sale of online insurer Onlia to Southampton Financial Inc. was completed in the first half of 2024

Inflation

In 2024, general Inflation rates were still high and were only seen decreasing compared to 2023 in the first part of 2024 in the Netherlands. The high inflation resulted in an upward pressure on the expenses incurred by Achmea.

[4] Operational result is the result from core insurance activities, excluding investment result, other expenses, and tax.

For Dutch Life insurance, the inflation in the short run is primarily reflected in higher wage costs and increased handling expenses. For the Dutch Non-Life insurance, the increased inflation resulted in an upward pressure for the claim handling expenses part of the Best Estimate. For Dutch Health insurance the higher inflation led to an increase in the amount of expected claims. The healthcare inflation in the Netherlands has been taken into account in the premiums set for 2024.

The Turkish Non-Life insurance business continues to suffer from the hyperinflationary environment, impacting prices and financial reserves. For Slovakian Non-Life insurance business, the continuous high inflation resulted in an increase in outstanding claims, mostly in motor business, and had a negative impact on the Eligible Own Funds. For Greek Non-Life insurance business, the rising inflation resulted in increased costs which has been reflected in rising insurance premiums. Health insurance industry faced significant challenges due to rising hospital costs, because of the inflation and higher operational expenses in healthcare facilities.

Changes in subordinated liabilities

In May 2024, Achmea B.V. issued a Tier 2 note of € 750 million. The impact of this issuance is offset by the redemption of the existing € 750 million note. After the initial buy back in 2024, Achmea announced that the remaining value of this instrument, € 393 million, will be paid off in February 2025. This results in this capital instrument not being part of the Eligible Own Funds for year-end 2024.

In 2024, Achmea Bank placed a 5.88% Tier 2 Note of € 126 million (with a nominal value of € 125 million), which is included in the Eligible Own Funds of Achmea Bank.

Acquisition Blue Sky Asset Management

On July 25th, 2024 Blue Sky Group and Achmea B.V. have reached an agreement on the sale of Blue Sky Group's Asset Management activities to Achmea B.V. The transaction was closed on 31 December 2024. As a result of the transaction, Achmea Investment Management B.V. will provide fiduciary and asset management for, among others, KLM's three pension funds. Achmea renamed Blue Sky Group Asset Management B.V. in Achmea IM AM B.V. and Blue Sky Groep Fund Management B.V. in Achmea IM FM B.V.

Syntrus Achmea Real Estate & Finance B.V.

On October 1st, 2024 Syntrus Achmea Real Estate & Finance B.V. reorganised the activities by dividing the real estate and mortgage business into Achmea Real Estate B.V. and Achmea Mortgage Funds B.V.

Achmea Bank N.V.

The mortgage portfolio of Achmea Bank increased due to the transfer of a mortgage portfolio from Achmea Pensioen- en Levensverzekeringen N.V. and the extended collaboration with A.S.R. to take over on a monthly basis newly concluded mortgages with a short, fixed interest rate period. In addition, the portfolio grew under the label Munt mortgages.

Acquisition of Europ Assistance Services Greece I.K.E.

In December 2024, Interamerican Greece completed the acquisition of Europ Assistance Services Greece I.K.E., a company specialising in roadside assistance.

Lifetri

On 28 November 2024, Achmea Pensioen- en Levensverzekeringen N.V., Achmea B.V. and ELG Group Limited have reached an agreement on a strategic partnership in the field of pension and life insurance. Achmea B.V. and Lifetri Groep B.V. will merge their pension and life portfolios into Achmea Pensioen- en Levensverzekeringen N.V. to create a top three player, serving over 2.1 million customers. ELG Group Limited, the principal shareholder of Lifetri Groep B.V., will acquire 19.9% of the shares of Achmea Pensioen- en Levensverzekeringen N.V. by contributing Lifetri Groep B.V. and paying € 445 million to Achmea B.V. Achmea B.V. will keep holding 80.1% of the shares of Achmea Pensioen- en Levensverzekeringen N.V. The proposed transaction is not included in the 2024 consolidated financial statements of Achmea because completion of the transaction is subject to the completing of the works councils advisory process and regulatory approval(s), which are expected in 2025.

1.3. SYSTEM OF GOVERNANCE

On the advice of the Selection and Appointment Committee, the Supervisory Board nominated Mr Cano for appointment to the Supervisory Board. The General Meeting appointed Mr. Cano a member of the Supervisory Board for a four-year term as of 5 September 2024.

Furthermore there were no material changes in the System of Governance in 2024.

1.4. RISK PROFILE

<Highlight any material changes of the causes and effects of such changes>

Achmea's overall Risk Profile, including the material risks as identified by the Executive Board of Achmea, showed a limited number of material changes as compared to 2023. In 2024, Achmea reversed the de-risking exercise executed at the end of 2023 and continued with the Investment plan for 2024 because of which the capital requirements for Market Risk increased. Other changes in the Risk Profile of Achmea were predominantly the result of changes in the economic value of the assets and liabilities.

Full details on Achmea's Risk Profile are described in Chapter C. Risk Profile.

1.5. VALUATION FOR SOLVENCY PURPOSES

Achmea values its Solvency II Balance Sheet items on a basis that reflects the economic value. In case International Financial Reporting Standards (IFRS) valuation principles are consistent with Solvency II requirements, Achmea follows the IFRS principles as endorsed by the European Union for valuing non-insurance assets and liabilities.

The composition of Eligible Own Funds under the Solvency II legislation is not similar as the definition of 'equity' for IFRS purposes. For the calculation of the group solvency under Solvency II there are valuation differences and restrictions. The table below presents the composition of Eligible Own Funds (EOF) under Solvency II (SII) and equity under IFRS.

RECONCILIATION BETWEEN EQUITY FINANCIAL STATEMENTS AND SOLVENCY II ELIGIBLE OWN FUNDS € MILLION

	2024	2023
Equity Financial statements	**9,415**	**8,980**
Solvency II valuation and classification differences	1,263	986
Not qualifying equity and foreseeable dividends	-639	-1,118
Eligible Own Funds Solvency II	**10,039**	**8,848**

The SII revaluations and reclassifications amount to € 1,263 million (2023: € 986 million). This includes items that are not recognised under SII (such as goodwill, capitalised acquisition costs and other intangible assets) and items that are valued differently under SII. Additionally, reclassifications of subordinated debt and SII eligible capital are included in this line. The main revaluation concerns the valuation of the technical provisions. The differences between IFRS17 and SII relate to the definition of the discount rate, the Cost-of-Capital-factor, the use of a time dependent factor, the cash flows included and contract boundaries.

Non-qualifying Equity and foreseeable dividends include changes in the availability of Achmea's Equity in accordance with SII legislation.

Full details on Achmea's Eligible Own Funds are described in Chapter D. Valuation for solvency purposes.

1.6. CAPITAL MANAGEMENT

Achmea B.V. is a Financial Conglomerate with a dominant insurance sector. De Solvency position is presented in the following tables per sector and consolidated as a Financial Conglomerate.

1.6.1. SOLVENCY FIGURES – INSURANCE SECTOR

In the sector Insurance, all the insurance entities, the Mixed Financial Holding Companies, the Ancillary Service Entities and Other entities are consolidated. For these entities the requirements as set out in the Solvency II Directive and Regulation are applied.

SOLVENCY-INSURANCE SECTOR AND HOLDING

€ MILLION

	2024	2023	Δ
Eligible Own Funds	8,907	7,885	1,022
Solvency Capital Requirement	4,580	4,031	548
Surplus	4,327	3,854	473
Solvency Capital Ratio Insurance sector and Holding (%)	194%	196%	-1%

Achmea uses an approved partial internal model to calculate the required capital. For a further explanation of the partial internal model and an overview of the composition of the required capital, please refer to section C Risk profile. The Solvency position of the consolidated insurance entities is determined based on the Solvency II legislation. The Solvency Ratio of Achmea Group for the total of its insurance activities (excluding non-insurance entities under supervision) has decreased by 2%-pt at the end of 2024 compared to the ratio at the end of 2023.

The increase in Eligible Own Funds is driven by rising equity prices and the higher value of fixed-income investments due to lower interest rates and generally lower spreads. The Eligible Own Funds have been affected by the issuance of a new Tier 2 capital instrument of € 750 million in May 2024, along with the repurchase of a previously issued instrument for an amount of € 357 million. By the end of December 2024, Achmea communicated that the remaining part of this subordinated loan (€ 393 million) would be repurchased on the call date. As a result, this loan will no longer be accounted for as part of the Eligible Own Funds but as part of the liabilities. The 'foreseeable' cash dividend from the 2024 results and the expected coupon payments on existing financial instruments in 2025 reduce the Eligible Own Funds by € 129 million.

These positive effects on capital were more than sufficient to offset the negative impacts on the Eligible Own Funds caused by the effect on Technical Provisions from the decline of the risk-free interest rate curve (including Volatility Adjustment), the reduction of the Ultimate Forward Rate (UFR) from 3.45% to 3.30% on January 1, 2024, and the resulting impact on the extrapolation of the relevant Risk-free curve.

A negative development and change in the expected result for 2024 at the Dutch healthcare business is partially compensated by a positive expected result for 2025. Positive results in the Dutch non-life portfolios due to a lower-than-expected claims burden led to an increase in Eligible Own Funds.

The SCR has particularly increased due to a higher capital requirement within Market Risk. The change in the investment mix, along with the higher economic value of equities, resulted in a higher capital requirement. In other categories, the higher capital requirement for Health Risk is notable, resulting from the increase in the number of policyholders, which resulted in a higher NSLT Health Premium and Reserve Risk.

The solvency information from Achmea Bank N.V. is based on the requirements as set out in the Capital Requirements Directive (CRD) and Capital Requirements Regulation (CRR).

SOLVENCY-BANKING SECTOR

€ MILLION

	2024	2023	Δ
Eligible Own Funds	962	774	189
Total Risk Weighted Assets	5,043	4,580	463
Total Capital Ratio	19.1%	16.9%	2.2%

Total SREP Capital Requirement	736	669	67
Counter Cyclical Buffer (CCyB)	101	46	55
Total Capital Requirement	837	715	123

The Eligible Own Funds of Achmea Bank N.V. increase by € 189 million, primarily due to the issuance of a Tier 2 bond (with an economic value of € 126 million as of December 31, 2024) and the addition to Eligible Own Funds after endorsement of the request by DNB from the profit after dividend payment for 2023 and the profit after the expected dividend for 2024. The increase in risk-weighted assets is largely caused by the transfer of mortgage portfolios from A.S.R. to Achmea Bank N.V. and the regular growth of the mortgage portfolio, including through the Munt label. DNB increased the Counter Cyclical Buffer (CCyB) to 2% of risk-weighted assets (2023: 1%) in May 2024.

The solvency information for the Asset management sector and Other supervised entities, including Achmea Investment Management B.V., Achmea IM AM B.V., Achmea IM FM B.V., Achmea Real Estate B.V., Achmea Mortgage Funds B.V., Centraal Beheer PPI N.V. and Union Zdravotná Poisťovna A.S. (UZP), is determined based on the Capital Requirements Directive (CRD), Capital Requirements Regulation (CRR), Investment Firm Directive (IFD), Investment Firm Regulation (IFR) and local legislation (for UZP).

SOLVENCY-ASSET MANAGEMENT SECTOR AND OTHER

€ MILLION

	2024	2023	Δ
Eligible Own Funds	203	208	-5
Solvency Capital Requirement	109	94	15

The decrease in Eligible Own Funds in 2024 for the other supervised entities is mainly caused by the sale of the stake in Onlia Holding Inc. and a lower result at Achmea Pensioenservices N.V. This decrease is partially offset by the acquisition of Blue Sky Group Asset Management and Blue Sky Group Fund Management, resulting in an increase in Eligible Own Funds and the required capital.

TOTAL SOLVENCY RATIO

€ MILLION

	2024	2023	Δ
Eligible Own Funds	10,039	8,848	1,191
Total Group Capital Requirement	5,526	4,840	686
- Insurance sector and holding	4,580	4,031	548
- Banking sector	837	715	123
- Asset management sector and other	109	94	15
Total Solvency Ratio (%)	182%	183%	-1%

1.6.2. ELIGIBLE OWN FUNDS

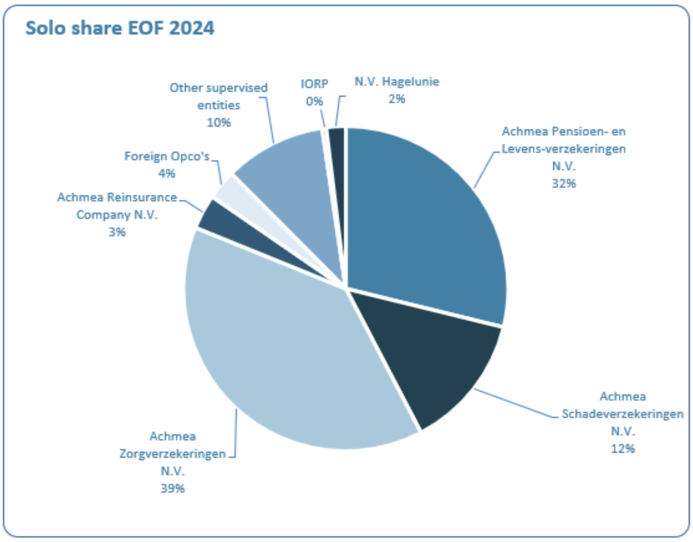
ELIGIBLE OWN FUNDS

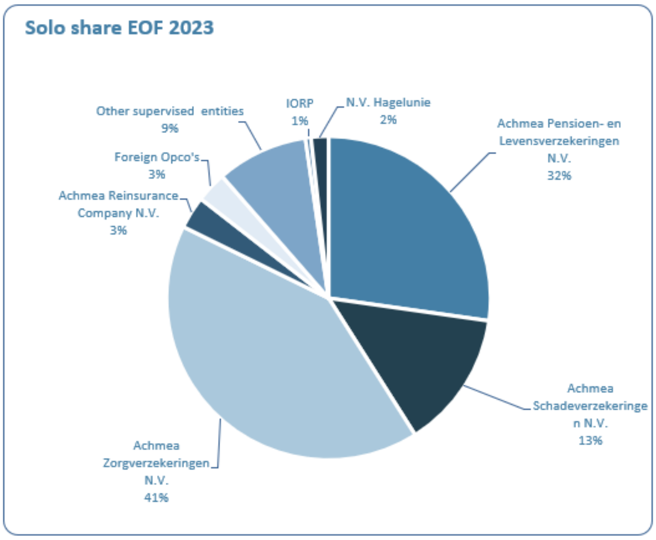
€ MILLION

	2024	2023	Δ
Tier 1	7,899	6,951	948
Tier 2	1,453	1,292	161
Tier 3	687	605	82
Total eligible own funds	10,039	8,848	1,191

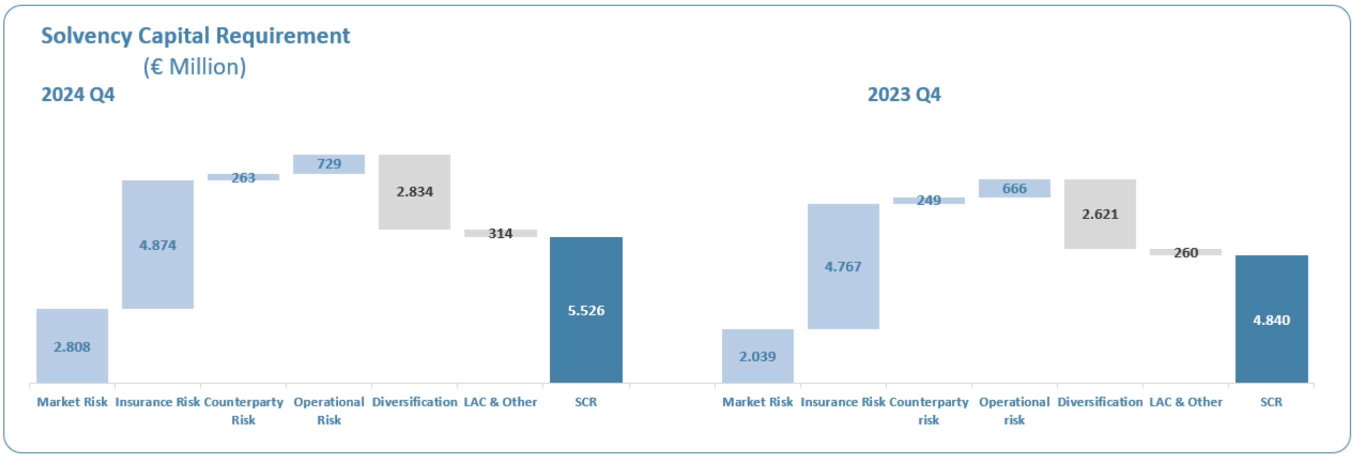
Achmea's Tier 3 capital is limited by the Tiering limit. Tier 3 capital may not exceed 15% of the Solvency Capital Requirement(insurance activities and holding). As of December 31, 2024, an amount of € 132 million in Tier 3 capital was not included in the Eligible Own Funds (EOF) of Achmea Group (in 2023, this was € 255 million).

The EOF can be divided to the various legal entities of Achmea:





1.6.3. SOLVENCY CAPITAL REQUIREMENT



The Total Group Solvency Capital Requirement (SCR) of Achmea is determined based on a consolidated Economic Balance Sheet involving all the legal entities and participations of Achmea.

The SCR for Market Risk increased by € 769 million mainly due to changes in the Risk Profile of the investment portfolio and changes in the main economic variables. The annual calibration of the Internal model reduced Market Risk by € 54 million. The introduction of the minor model change ‘Replicating Universe for Inflation Linked Products’ resulted in a decrease of the Interest rate Risk. In 2024, Achmea reversed the de-risking exercise employed in the end of 2023 because of which the capital requirements for Market Risk increased. Due to increased stock prices on the equity markets, the economic value of the equity exposure increased. The spreads decreased resulting in higher economic value of the fixed income securities including mortgage loans. These developments resulted in a higher capital requirement for Market Risk. In 2024, Achmea terminated the swap spread hedge which resulted in a lower Interest rate Risk. As part of its investment plan, Achmea increased its position in commodities which increased the capital requirement for Foreign Currencies because the majority of the commodities are denominated in US Dollars. The depreciation of the Turkish Lira resulted in a further increase of the capital requirement.

The capital requirement for Insurance Risk increased by net € 107 million. The capital requirement for Life underwriting Risk decreased by € 4 million due to the impact of non-economic (mortality and expense) assumptions, model changes and portfolio developments due to the closed book portfolio. These effects are partially offset by the impact of the decreased interest rate and the reduction of the UFR from 3.45% to 3.30% as of January 1, 2024. The lower interest rate resulted in an increase of the Best Estimate and subsequently an increase of Life Underwriting Risk as the Best Estimate is the main input in the calculation of this risk. The capital requirement for Health underwriting Risk increased by € 117 million due to an increased expected premium volume for 2025 due to cost inflation, an increase in the number of insured people and an increase in healthcare costs per insured person in 2024. In Greece risk increased due to growth of the insurance portfolio. The capital requirements increased further due to the discontinuation of the WIA reinsurance contract and growth of the underlying portfolios. The capital requirement for Non-life underwriting Risk decreased by € 6 million due to the annual calibration of the risk factors for Premium and Reserve Risk in the Netherlands. This impact is partially offset by an increased business volume in mobility and fire due to growth of the portfolios in the Netherlands and Türkiye. The increased volume measure for Non-life underwriting Reserve Risk is primarily caused by the increase in provisions for bodily injury claims. Pricing and conditions in the reinsurance market have remained stable in 2024. of the capital requirements for Non-life underwriting Natural catastrophe Risk increased due to growth of the portfolios in Australia, Canada and Türkiye.

The SCR for Counterparty Default Risk (CDR) increased by € 14 million. The decrease of the SCR CDR on Type 1 exposures is mainly due to lower cash positions in Türkiye, Greece and the Dutch healthcare business. The capital requirements further decreased due to securities lending activities. The decrease of the SCR CDR on Type 1 exposures is offset by the increase of the SCR CDR on Type 2 exposures due to an increase in receivables from pharmaceutical providers and a higher debtor position policyholders in the Dutch Health business.

The Solvency Capital Requirements for Operational Risk is calculated based on the most onerous scenario of earned premiums or Technical Provisions. Achmea is sensitive to the scenario based on earned premiums. The increase of € 63 million is mainly a consequence of the higher premium volume in 2024 compared to 2023 in the Dutch Health insurance portfolio.

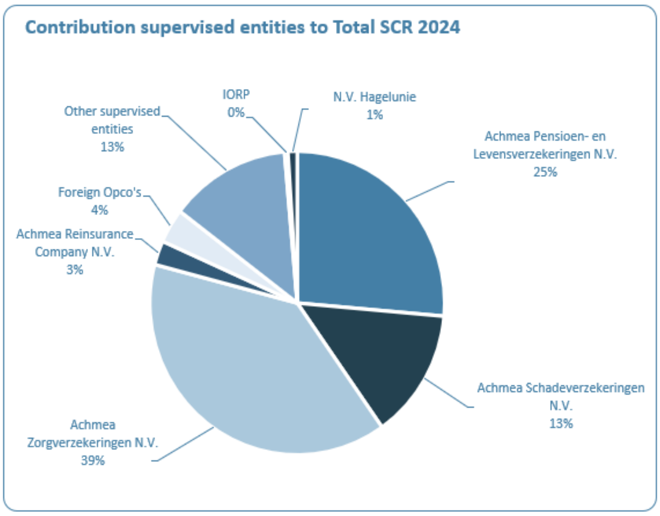
The impact of the Adjustment factor increased by € 192 million due to the LAC Deferred Taxes and LAC Expected Profits for Underwriting Risk and Market Risk.

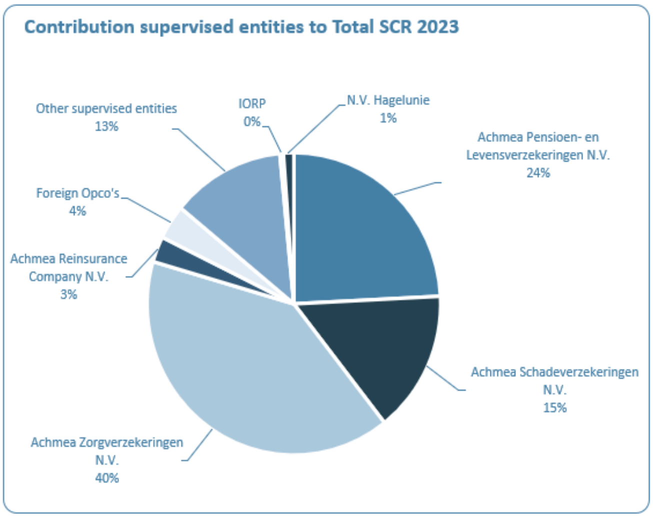
The capital requirement for the Other Financial Sectors increased due to developments within Achmea Bank N.V. The capital requirement of the Risk Weighted Assets of Achmea Bank N.V. is based on the latest Supervisory Review and Evaluation Process (SREP) communication of DNB of 16.6% (2023: 15.6%). The capital requirement includes CcyB to protect against systemic risks. In 2024, the CCyB is 2% of the Risk weighted assets (2023: 1%). The Risk Weighted Assets of Achmea Bank N.V. increased due to the acquisition of residential mortgage portfolios of A.S.R. in 2024 and the regular growth of the mortgage portfolio, including via the Munt label.

Due to the acquisition in 2024 of Blue Sky Group Asset Management B.V. and Blue Sky Group Fund Management B.V. Achmea B.V. included the capital requirement of the Asset management entities subject to the IFR/IFD regulation.

Solvency Capital Requirement per major legal entity

Similar to 2023, Achmea Pensioen- en Levensverzekeringen N.V. and Achmea Zorgverzekeringen N.V. contributed the most with respect to the group Solvency Capital Requirements. The share of Achmea Pensioen- en Levensverzekeringen N.V. has increased, while the shares of Achmea Zorgverzekeringen N.V. and Achmea Schadeverzekeringen N.V. have decreased in contribution due to the increased impact of Market Risk as a result of re-risking in 2024.





Solvency Position excluding the use of the Volatility Adjustment

Achmea applies the Volatility Adjustment (VA[5]). The VA is not applied by the Dutch Health insurance legal entities, Achmea Reinsurance Company N.V. and Interamerican Assistance General Insurance Company S.A. (based on proportionality reasons). A VA is not able to be used for Türkiye based Eureko Sigorta A.SA. due to the structure of the local bonds and government markets as indicated by EIOPA.

For those entities where the VA is applied and where a Partial Internal Model Risk (PIM) for Market Risk is used, a DVA[6] is included within the calculation of the capital requirement for Spread Risk. For these entities, Achmea also includes a capital requirement for government bonds and mortgage loans in the Spread Risk module.

IMPACT OF VOLATILITY ADJUSTMENT ON SOLVENCY RATIO — € MILLION

	INCLUDING VOLATILITY ADJUSTMENT		EXCLUDING VOLATILITY ADJUSTMENT		IMPACT VA	
	2024	2023	**2024**	2023	**2024**	2023
Eligible Own Funds	10,039	8,848	9,562	8,466	478	382
Total Group Solvency Capital Requirement	5,526	4,840	6,692	6,086	-1,166	-1,246
Surplus	4,513	4,008	2,870	2,381	1,643	1,628
Ratio (%)	182%	183%	143%	139%	39%-pt	47%-pt

The VA is published by EIOPA and endorsed by the European Commission. Ultimo 2024, a VA of 23 bps (2023: 20 bps) has been applied. Compared to 2023, the impact of the VA on the Solvency II ratio of Achmea has remained relatively stable (2024: 39%-pt; 2023: 47%-pt).

Not using the VA increases the value of the Best Estimate of the Insurance obligations. The increase of the insurance liabilities results in an increase of the Deferred Tax Asset (DTA). The overall effect on the EOF is negative. Not using the VA, implies also that Achmea is not able to model the DVA. This results in an increase of the capital requirements for Market Risk and Underwriting Risk. Excluding the VA and DVA would result in changes of the characteristics of the assets and liabilities due to the adjusted discounting curve. As a result, the asset mix is not aligned with the insurance liabilities leading to a disproportionate increase of the capital requirement for Market Risk. Furthermore, the Risk Profile of the government bonds and mortgage loans are not in line with the capital requirements i.e. the capital requirements are extremely high compared to the actual risks embedded in these exposures. Therefore, Achmea is of the opinion that the resulting capital requirement without VA and DVA is not an appropriate reflection of the Risk Profile.

1.6.4. MINIMUM CAPITAL REQUIREMENT

MINIMUM CAPITAL REQUIREMENT — € MILLION

	2024	2023	Δ
SCR Consolidated	4,580	4,031	548
MCR	2,392	2,165	227
MCR/SCR (%)	52%	54%	-1%

The group Minimum Capital Requirement (MCR) is the sum of the solo MCR without taking into account any diversification benefits and the impact of Intra-Group transactions. The MCR at solo insurance level is subject to a corridor of 25%-45% of the SCR.

The group MCR is the sum of the MCR of all solo insurers without taking into account any diversification benefits or Intra-Group transactions. The increase in MCR is mainly caused by an increase in the underlying MCR of Achmea Pensioen- en Levensverzekeringen N.V. (€ 106 million), Achmea Schadeverzekeringen N.V. (€ 5 million) and Achmea Zorgverzekeringen N.V. (€ 106 million).

[5] The VA is a mechanism to mitigate the exaggeration of bond spreads. The mitigation is done by an adjustment of the relative Risk-free interest rate. The VA reflects the Asset- and Liability management of an insurer. The VA is published by EIOPA and is based on Solvency II legislation.

[6] The DVA has the same function as the VA, but is calculated based on a 1:200 year scenario, similar to the principles of all the Solvency Capital Requirements.

IMPACT OF VOLATILITY ADJUSTMENT ON THE MCR

€ MILLION

	INCLUDING VA		EXCLUDING VA		IMPACT VA	
	2024	2023	2024	2023	2024	2023
Total Group Solvency Capital Requirement Consolidated	4,580	4,031	5,745	5,277	1,166	1,246
MCR	2,392	2,165	2,465	2,342	73	177
MCR/Total Group Solvency Capital Requirement Cons (%)	52%	54%	43%	44%	6%	14%

Applying the VA has an impact on the MCR because the value of the Best Estimate is higher when the VA is not applied.

1.6.5. SOLVENCY POSITIONS SUPERVISED LEGAL ENTITIES

SOLVENCY POSITIONS SUPERVISED LEGAL ENTITIES

€ MILLION

	2024			2023		
	SOLVENCY CAPITAL REQUIREMENT	ELIGIBLE OWN FUNDS	SOLVENCY II RATIO	SOLVENCY CAPITAL REQUIREMENT	ELIGIBLE OWN FUNDS	SOLVENCY II RATIO
Achmea Pensioen- en Levensverzekeringen N.V.*	1,786	3,130	175%	1,475	2,614	177%
Achmea Schadeverzekeringen N.V. *	938	1,468	157%	927	1,323	143%
N.V. Hagelunie *	68	210	308%	69	167	241%
Achmea Reinsurance Company N.V. *	175	375	215%	168	312	186%
Achmea Zorgverzekeringen N.V. consolidated	2,629	4,214	160%	2,445	3,958	162%
Achmea Zorgverzekeringen N.V.	953	4,213	442%	890	3,958	445%
Zilveren Kruis Zorgverzekeringen N.V.	1,696	2,253	133%	1,624	2,192	135%
FBTO Zorgverzekeringen N.V.	295	435	147%	227	422	186%
Interpolis Zorgverzekeringen N.V.	93	168	181%	87	154	176%
De Friesland Zorgverzekeraar N.V.	279	396	142%	250	342	137%
Union Poist'ovna A.S.	32	43	136%	32	47	146%
Eureko Sigorta A.S.**	79	97	122%	59	77	129%
Interamerican Hellenic Insurance Company S.A.	125	165	133%	123	154	125%
Interamerican Assistance Insurance Company S.A.	12	16	136%	10	15	146%

* Legal entities using a Partial Internal Model ** Based on local capital requirement

At year-end 2024, Achmea and its entities were adequately capitalised in accordance with statutory requirements.

In the table, the Solvency II position for Achmea Zorgverzekeringen N.V. consolidated is determined on a sub consolidated basis i.e. a look through is applied for the insurance participations included in the Economic Balance Sheet (except for the ‘Zorgkantoren’ owned by Achmea Zorgverzekeringen N.V.).

Achmea has a Health legal entity in Slovakia, Union Zdravotna Poisťovna A.S., which is subject to local supervisory prudential requirements and is not subject to the Solvency II legislation. The total capital requirement based at local legislation at 2024 year-end amounts to € 17 million (2023: € 17 million), the Own Funds are € 23 million (2023: € 41 million).

Achmea Bank N.V. is subject to the requirement of the Capital Requirements Directive and Regulation.

CAPITAL RATIO ACHMEA BANK N.V.

€ MILLION

	2024	2023	Δ
Eligible Own Funds	962	774	188
Total Risk Weighted Assets	5,043	4,585	458
Total Capital Ratio	**19.1%**	**16.9%**	**2.2%**
Total SREP Capital Requirement (12.1%; 2023: 12.1%)	610	555	55
Combined Buffer Requirement (2.5%; 2023: 2.5%)	126	115	11
Counter Cyclical Buffer (2%; 2023: 1%)	101	46	55
Total Solvency Capital Requirement	**837**	**715**	**122**

REQUIREMENTS OTHER FINANCIAL SECTORS

€MILLION

ENTITY	FIXED COST REQUIREMENT		PERMANENT MINIMUM		K-FACTOR		CAPTIAL REQUIREMENTS		OWN FUNDS	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Achmea Investment Management B.V.	28.8	25.8	0.1	0.1	18.3	16.4	30.9	29.9	49.2	48.7
Syntrus Achmea Real Estate & Finance B.V.	n.a.	18.2	n.a.	0.2	n.a.	0.4	n.a.	18.2	n.a.	53.5
Achmea Real Estate B.V	12.0	n.a.	0.2	n.a.	0.4	n.a.	12.0	n.a.	52.5	n.a.
Achmea Mortgage Funds B.V.							6.7	n.a.	11.6	n.a.
Union Zdravotna Poist'ovna A.S.							16.6	16.6	22.6	41.0
Centraal Beheer PPI N.V.							9.0	7.5	21.8	12.4
Achmea IM AM B.V.							5.2	n.a.	9.0	n.a.
Achmea IM FM B.V.							7.1	n.a.	12.9	n.a.

For Achmea Investment Management B.V., Achmea applies a required capital of € 31 million based on Internal Capital and Liquidity Adequacy Assessment Process (ICLAAP) rules (2023: € 30 million). This required capital is higher than the requirements based on the IFR/IFD Regulation, mainly due to the larger scope of the assets under management taken into account within ICLAAP 2024 (including mutual funds).

On October 1th, 2024, Syntrus Achmea Real Estate and Finance B.V. was split into Achmea Real Estate B.V. (ARE) and Achmea Mortgage Funds B.V. (AMF).

Union Zdravotná Poisťovna A.S. is dedicated to Health insurance. The local Slovakian Ministry of Finance has decided that the Health entities (and similar entities within Slovakia) are not subject to Solvency II legislation but subject to local capital requirements as determined by Slovakian law. The capital requirement of Union Zdravotna Poisťovna A.S. has remained unchanged. The capital requirement is equal to the legal minimum requirement in Slovakia for a health insurance company.

The capital requirement for the CB PPI increased due to regular growth of the underlying managed capitals for the pension liabilities (0.2% of the managed capital of € 4,516 million (2023: € 3,770 million)).

On July 25th, 2024 Blue Sky Group and Achmea B.V. have reached an agreement on the sale of Blue Sky Group's Asset Management activities to Achmea B.V. As a result of the transaction, Achmea Investment Management B.V. will provide fiduciary and asset management for, among others, KLM's three pension funds. Achmea renamed Blue Sky Group Asset Management B.V. in Achmea IM AM B.V. and Blue Sky Groep Fund Management B.V. in Achmea IM FM B.V.

1.7. MATERIALITY AND SUBSEQUENT EVENTS

Publication of Solvency position

Achmea has published its Solvency II position of 182% on 13 March 2025. This Solvency position is based on the aggregation of the data of all underlying legal entities and related parties.

Subsequent events

No new inform ation has emerged since the publication of the Solvency position which may result in a material different Solvency position for Achmea as calculated for the reference date of 31 December 2024.

1.8. FORWARD LOOKING STATEMENT

Development next year

Achmea expects the Solvency position for the insurance activities including the holding at the end of 2025 to be above its internal target limits. The expected Solvency II ratio per year-end 2025 under the assumption of constant financial markets based on year-end 2024 will not change significantly. The outcome however will be dependent on developments of the inflation rate, the development of the financial markets, the monetary actions of the Central Banks and any (secondary) effects e.g. of the war between Ukraine and Russia and developments in Gaza. Proposals and decisions by the new administration in the United States resulted in increased volatility on the financial markets. Developments are monitored closely and measures are available to (partly) mitigate possible expected longer term consequences. As the new administration in the United States results in a higher volatility of the economic variables, Achmea remains fixed on the longer term objectives.

Dutch Life insurance Business

On 28 November 2024 Achmea and Lifetri announced that they will merge their pension and life portfolios into Achmea Pension & Life Insurance N.V., serving over 2.1 million customers. ELG Group Limited, the principal shareholder of Lifetri, will acquire 20% of the shares of Achmea Pension & Life Insurance by contributing Lifetri and paying € 445 million to Achmea. Achmea will hold 80% of the shares. The joint venture will be well positioned to seize growth opportunities in the pension buy-out market and is targeting a 20% market share. Customer services for the more than 500,000 Lifetri customers will continue under the Centraal Beheer brand which offers a digital platform with an integrated range of insurance, savings and investment products. Achmea and ELG Group Limited are currently preparing to get a declaration of objection on the transaction from relevant supervisory authorities. Thanks to the partnership, Achmea Pension & Life Insurance expects to increase its capital generation by approximately € 100 million starting from 2028.

We have the ambition to grow in the pension buy-out market, where the pension obligations of a pension fund are taken over. Additionally, the sale of pension and life insurance and term life insurance will be accelerated. Collaboration will also take place in the field of investments. By realising economies of scale, the service level to customers in the service book can be maintained at a good cost level. This collaboration also provides more room for investments in customer service and product development.

Inflation

European inflation levels are decreasing and the ECB is expected to lower their policy rate further. This will bring down general interest levels. However, Dutch inflation rates are still above the European levels due to significant wage increases and a lack of personnel in specific sectors. This could both impact investment income and claims costs.

Geopolitical tensions

Proposals and decisions by the new government in the United States resulted in increased volatility on the financial markets. The wars in Ukraine and Gaza will impact financial markets. Developments are monitored closely and measures are available to (partly) mitigate possible expected longer term consequences. As the new administration in the United States results in a higher volatility of the economic variables, Achmea remains fixed on the longer term objectives.

Review 2020 EIOPA

As part of Solvency II Directive 2009/138/EC, the European Commissions has reviewed the Solvency II Directive. Based on advice of EIOPA and the Political compromise between the European Parliament and the European Council, a revised Solvency II Directive is agreed and published. This Directive needs to be transposed into National law within 24 months. Currently, the European legislators are in the process of drafting the revised Regulation, Implementing and regulatory Technical Standards and new guidelines. The enforcement date of the new legislation is 30 January 2027.

The main elements for Achmea in the Review 2020 are the change in methodology to extrapolate the relevant risk-free interest rate, the change in the calculation of the Volatility Adjustment, introduction of the Enhanced Prudency Principle and changes in the calculation of the Risk Margin. The impact of the revised Solvency II Directive on Achmea depends on the calibration of the agreement in the Regulation and the economic circumstances. In order to monitor the impact of the ongoing developments in the Review 2020, Achmea calculates a sensitivity (see section C.6.1). The sensitivity which is calculated, is based on the Full Year Run (FYR) outcomes in which three elements are changed to reflect the latest insights in the review 2020: de change in the risk free interest rate, the calculation of the Volatility Adjustment and the calculation of the Risk Margin. In this initial sensitivity analysis, we have not yet included the impact of the changes on the Solvency Capital Requirement Market Risk nor have we accounted for the impact of the Enhanced Prudency Principle. In the impact assessment conducted by DNB which runs until May 2025, the impact on the Solvency Capital Requirement will be included (see section C.6.1 for more information).

Sustainability

Sustainability is more and more becoming integral part of reporting and management processes. Disclosure on sustainability issues must support the energy transition from fossil-based to renewable energy sources like wind and solar. In risk management policies the risks and consequences of global warming must be taken into account from a prevention perspective (to reduce the possibilities of claims following a climate event) and the perspective of mitigating consequences (to reduce the effect if a climate event occurs) with the aim to reduce possible future claims.

See the Climate Transition Plan as published by Achmea and the Sustainability reporting part of the Annual Accounts of Achmea. See also section A.

Expected changes in Internal Model

Major model change Spread Risk

In 2025, a major model change for the Spread Risk model will take place taking into account the outcomes of the Solvency II 2020 review. The major model change will also address a term & condition from DNB on the interest risk model and will also include the change of the base curve from the German bund curve to the swap curve. Any negative consequences of this change will be expected to be (partly) mitigated by changes in the investment portfolio and the hedge.

Developments after closing date

Issuance € 300 million RT1 capital securities

On 21 January 2025, Achmea issued € 300 million RT1-capital. This will increase the group solvency position by 5%-pt.

Call of € 393 million Tier 2 perpetual capital securities

On 4 February 2025, € 393 million Tier 2 perpetual capital securities were called. This has no impact on the Solvency II position as those capital securities were no longer part of the EOF at 31 December 2024 and therefore not taken into account in the year-end 2024 solvency position.

A. BUSINESS AND PERFORMANCE

A.1. BUSINESS

LEGAL FORM

Achmea B.V. is a private company with limited liability incorporated in the Netherlands and seated in Zeist. The head office is located at Handelsweg 2 in Zeist. The Achmea Group comprises Achmea B.V. and the entities it controls. Achmea is a financial services provider with insurance activities in the field of Non-Life, Health, Income and Life. Furthermore Achmea offers banking services, asset management and pension management services, and other services.

DNB is responsible for the Group prudential supervision of Achmea. Each supervised legal entity has a local prudential supervisor.

AUDIT

The external auditor of the Group Achmea is Ernst & Young Accountants LLP (EY). The information disclosed in this SFCR is unaudited. The following Quantitative Reporting Templates of Achmea Group are audited:

- S.02.01. Balance Sheet
- S.05.01. Premiums, Claims and Expenses by Line of Business
- S.05.02. Premiums, Claims and Expenses by country
- S.23.01. Own Funds
- S.25.01. Solvency Capital Requirement – for undertakings on Standard Formula
- S.25.05. Solvency Capital Requirement – for undertakings using an internal model (partial or full)
- S.26.01. Solvency Capital Requirement – Market Risk
- S.26.02. Solvency Capital Requirement – Counterparty Default Risk
- S.26.03. Solvency Capital Requirement – Life Underwriting Risk
- S.26.04. Solvency Capital Requirement – Health Underwriting Risk
- S.26.05. Solvency Capital Requirement – Non-Life underwriting Risk
- S.26.06. Solvency Capital Requirement – Operational Risk
- S.26.07. Solvency Capital Requirement – Simplifications
- S.26.08. Solvency Capital Requirement – Undertakings using an (partial) internal model
- S.27.01. Solvency Capital Requirement – Non-Life and Health Catastrophe Risk

The auditors have audited several QRTs of the underlying Dutch supervised entities in line with the Dutch legislation.

SHAREHOLDERS

SHAREHOLDERS OF ACHMEA B.V. AT 31 DECEMBER 2024

COMPANY	COUNTRY	NUMBER OF SHARES	SHARE % (ORDINARY)
Vereniging Achmea directly and via Stichting Administratie-Kantoor Achmea [1]	The Netherlands	269,084,684	68.01%
Coöperatieve Rabobank U.A.	The Netherlands	119,333,102	30.16%
Gothaer Allgemeine Versicherung AG	Germany	2,072,055	0.53%
Barmenia Gothaer Finanzholding AG	Germany	2,370,153	0.60%
Schweizerische Mobiliar Versicherungsgesellschaft AG	Switzerland	2,769,246	0.70%
Total ordinary shares [2]		**395,629,240**	**100.00%**

1. Including 1 A-share.
2. Excluding 15,190,934 units of own shares held by Achmea B.V.

LEGAL STRUCTURE (SUMMARY)

Achmea B.V.

Achmea Pensioen- en Levensverzekeringen N.V.	Achmea Bank N.V.	Inshared Holding N.V.	Eureko Sigorta A.S.
Achmea Schadeverzekeringen N.V.	Achmea Interne Diensten N.V.	Achmea Investment Management N.V.	Interamerican Hellenic Insurance Company S.A.
N.V. Hagelunie	Achmea Services N.V.	Achmea Pensioenservices N.V.	Union Poist'ovna A.S.
Achmea Zorgverzekeringen N.V.	Zilveren Kruis Health Services N.V.	Achmea Real Estate B.V.	Union Zdravotna Poist'ovna A.S.
Achmea Reinsurance Company N.V.	Centraal Beheer PPI N.V.	Achmea Mortgage Funds B.V.	Achmea Innovation Fund B.V.

The above presented organisation structure is a summary and does not present all the entities which are part of the group Achmea.

OUR PURPOSE

'Sustainable Living Together' the Achmea way

Achmea was founded more than 210 years ago when a group of farmers banded together to make themselves more resilient in the event of disaster striking. We are still by and for our customers, even today. In response to the needs of modern life, we are evolving from an insurer into a financial service provider.

As a financial services provider, we serve our customers with a wide range of solutions. Our offering includes insurance products in the non-life, health, life and income insurance segments, while our expertise and offerings also extend to financing and asset management. Each area contributes to addressing the pressing challenges of our time. With our healthcare activities, we focus on making care more accessible, affordable and of better quality for everyone. Our non-life, life and income insurance policies focus on carefree living and working, financial security and sustainable mobility. With our financing, life insurance, pensions and asset management activities, we contribute to securing income for today and tomorrow.

From our cooperative identity, we strive to create a society in which everyone can participate. We believe that this will ultimately yield greater happiness for the individual and for all of us. Sadly, this so often turns out not to be the case. Too many groups find themselves excluded for all kinds of reasons. We believe change is possible and want to work to achieve this.

Although we literally live together in our densely-populated country, our sense of community seems to be dwindling. There is growing polarisation in the once tolerant Netherlands. Differences are magnified and similarities become invisible. This is leading to greater conflict and less social well-being. We want to bring people closer together again. We want to bring people back together and ensure that everyone can participate in our society. This makes life more enjoyable, healthier, and safer. This is what Sustainable Living. Together means to Achmea. And this role suits us. As an insurer, we have always played a role in uniting shared interests. With us, individuals and businesses from diverse backgrounds can come together to share their risks.

Sustainability

In August 2024 Achmea has updated its Climate Transition Plan[7]. An extract of the updated plan for Achmea is described below. See Section C Any other information.

The Climate Transition Plan describes the climate transition plan for Achmea, concerning the business operations, investments and financing, and the insurance business of the Dutch entities.

Developments around Achmea are moving fast. There is a constant stream of new climate insights, new legislation and technological advances. Methods for measuring CO_2 and setting reduction targets are under development. Availability and quality of data is a challenge. The number and quality of available data are expected to improve in the coming years. This will create new insights that could lead Achmea to adjust targets and plans in the coming years. Achmea will therefore update this plan annually.

In the Achmea Year Report 2024, Achmea disclosed the outcome of alignment of the activities with the EU Taxonomy[8].

Sustainability is an integral part of our vision and strategy. We embed environmental and social aspects in our business activities and processes. Climate change is leading to major social, economic and financial challenges. We are seeing the effects of climate change and extreme weather conditions worldwide, and they are becoming increasingly frequent.
Sustainable value creation means, among other things, that we want to contribute to achieving the global climate goals. Limiting the global temperature increase to 1.5°C - 2°C compared to 1990 is necessary to prevent risks from becoming potentially uncontrollable. As a broad-based financial service provider, we contribute to resilience to the risks of climate change and are committed to further supporting the energy transition. We do this, among other efforts, through impact investing for both our own-risk investments and institutional clients.

Sustainable Living. Together also means: working on diversity and inclusion. Everyone has the right to equal opportunities and treatment. As an employer, we want to be a good reflection of society and strive for an inclusive culture, in which we embrace diversity. This also applies to our dealings with customers and suppliers.

More information is available in the Sustainability Report.

Social issues in four domains

We have the ambition to create sustainable value for our customers, our employees, our company and society. We do this based on our mission to solve major social issues together. In doing so, we focus on four domains:

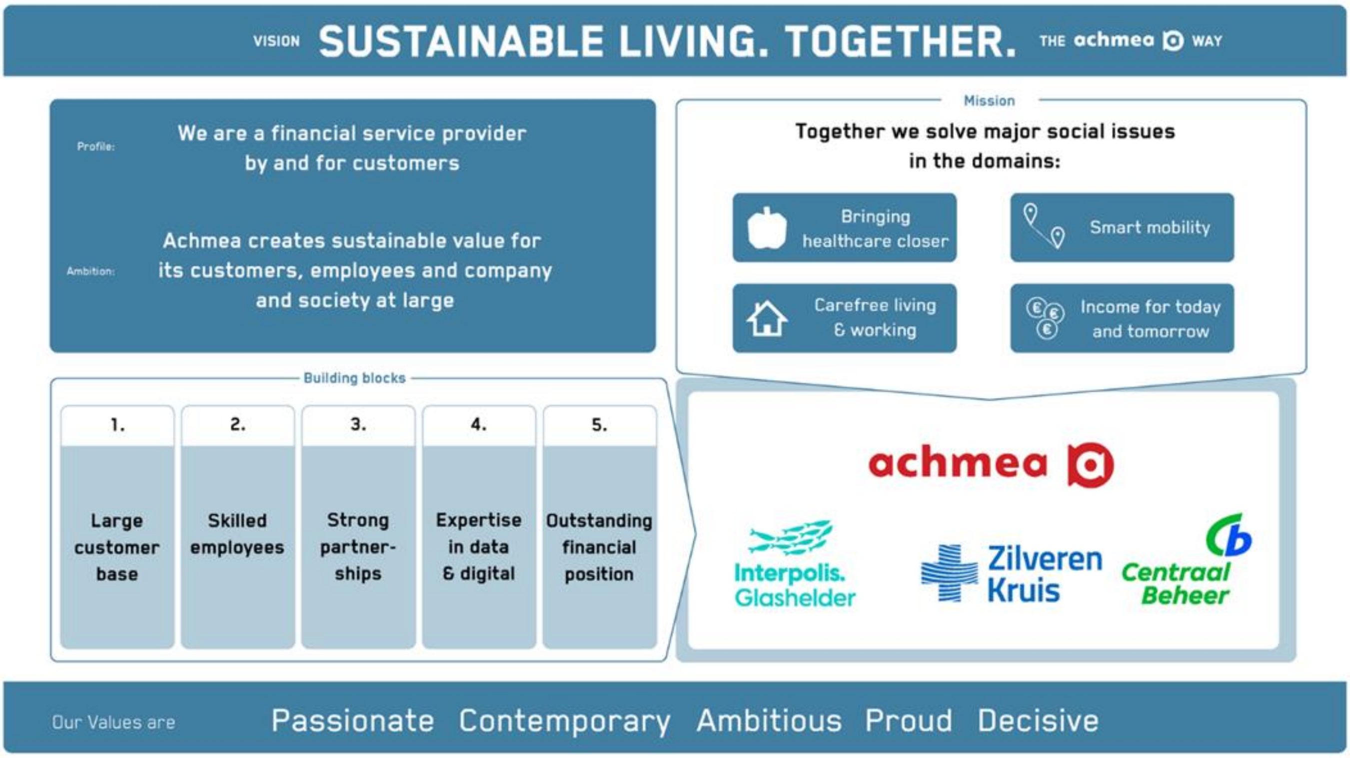
- Bringing healthcare closer.
- Smart mobility.
- Carefree living & working.
- Income for today and tomorrow.

These domains fit in with our activities and competences. Within these domains, we periodically select a number of concrete social issues on which we put extra focus. We focus on issues that concern many people and have a major impact.

From our four strong brands Interpolis, Zilveren Kruis, Centraal Beheer and Achmea, we take a visible position on the chosen social issues. We engage with our customers and partners and challenge ourselves to come up with solutions together.

[7] https://www.achmea.nl/-/media/achmea/documenten/duurzaamheid/achmeanl_documenten_en/achmea-climate-transition-plan.pdf

[8] Achmea Year report 2024, Supplement A: Reporting Principles; Supplement C: EU Taxonomy for Sustainable Activities



Climate, diversity and inclusion

Among other things, sustainable living together according to Achmea means an acceleration on our part on climate, diversity and inclusion. Sustainability and inclusion play important roles in the choices we make.

Climate change is a key sustainability theme containing major social, economic and financial challenges. The effects of climate change are visible all around the world, from bushfires in Australia and California to lengthy periods of drought, extreme precipitation and flooding in Greece and Turkey (Storm Daniel). It is essential to restrict the increase in global temperatures to 1.5 – 2 °C compared to 1990 in order to avoid us facing uncontrollable risks.

Sustainable value creation also means that we assume responsibility in order to contribute to achieving the global climate goals. As an insurer and financial service provider, we contribute to resilience to the risks posed by climate change and want to support the energy transition. We are committed to achieving climate-neutral business operations in 2030, climate-neutral investments in businesses in 2040 and a climate-neutral insurance portfolio no later than 2050. And via our products and services such as solar panels and green roofs we help our customers to become more sustainable.

Everyone is entitled to equal opportunities. As an employer, we want to be an accurate reflection of Dutch society and aim to create an inclusive culture in which we embrace diversity.

The above interpretation of sustainable living together is in line with the expectations our stakeholders have of us. Climate change, responsible investment, sustainable products and services and solidarity & inclusion are all listed as material topics in our survey of stakeholders. These topics therefore play a role in the solutions we seek to social issues in the four domains.

Sustainable Development Goals

With our commitment to social issues and through our sustainability strategy, we contribute to the realisation of the Sustainable Development Goals (SDGs). These 17 United Nations Sustainable Development Goals, together with the Paris Climate Agreement, form the world's 'sustainability agenda' for 2030. We support the SDGs and contribute to them. Both in our daily activities and through our ambitions in the field of climate and social impact. Based on our Sustainable Living. Together vision, we focus on five SDGs that closely align with our four key domains, are at the core of our company, and have the potential to drive innovation and growth. These are SDG 3 (Good health and well-being), SDG 8 (Decent work and economic growth), SDG 10 (Reduce inequalities), SDG 11 (Sustainable cities and communities) and SDG 13 (Climate action). We do not directly focus on the (sub-)objectives in SDGs. But by helping to solve social issues in the four domains and through our sustainability strategy, we contribute to the realisation of the SDGs.

Our building blocks

We have the ambition to create sustainable value and solve major social issues. Based on five building blocks (see figure on the previous page), we work on realising our mission and exploiting the group's synergy.

We have a large customer base with customers who rate us highly in general. We serve them from our brands. We have enthusiastic and expert employees who are committed to our customers. We believe that this benefits the service provided to our customers. Together you achieve more than alone; That's why we like to work together and build strong partner relationships. Expertise in data and digital is necessary to be able to continue to serve customers well in the future. We also use this expertise for a secure and trusted digital way of working. An excellent financial position is needed to be able to realize the long-term ambitions of Sustainable Living. Together. We want to have the financial space to invest in growth and innovation and to contribute to the transition to a sustainable economy and society.

Our core values

Sustainable Living. Together includes a number of values that form the foundation for our actions: Passionate, Contemporary, Ambitious, Proud and Decisive. These values indicate how we work as Achmea, how we treat each other, what we want to be and what we hold each other accountable for.

We are moving from working together to limit risks to working together to achieve concrete results for customers and society. By being enthusiastic and contemporary, but also decisive. By showing ambition and being proud of our company. We stand for Sustainable Living. Together. This is what we are, this is Achmea.

A.2. UNDERWRITING PERFORMANCE

The Non-Life business in the Netherlands consists of the entities:
- Achmea Schadeverzekeringen N.V. (including the insurance products sold via branches in Germany and Australia).
- N.V. Hagelunie.

The Health business in the Netherlands consists of the entities:
- Achmea Zorgverzekeringen N.V.
- De Friesland Zorgverzekeraar N.V.
- FBTO Zorgverzekeringen N.V.
- Interpolis Zorgverzekeringen N.V.
- Zilveren Kruis Zorgverzekeringen N.V.

The Life and Pension business in the Netherlands consists of the entity Achmea Pensioen- en Levensverzekeringen N.V.

Our International business consists of the entities:
- Interamerican Assistance Insurance Company S.A. (Non-Life) – Greece.
- Interamerican Hellenic Insurance Company S.A. (Composite) – Greece.
- Union Poist'ovna A.S. (Composite) – Slovakia.
- Eureko Sigorta A.S. (Non-Life) – Türkiye.

Achmea refers to these entities when mentioning these businesses.

Achmea Reinsurance Company N.V. is mentioned separately.

KEY FIGURES

RESULTS	2024	2023*	Δ
Non-Life Netherlands	300	309	-9
Pension & Life Netherlands	354	208	146
Retirement Services	32	47	-15
International activities	47	6	41
Other activities	-129	-129	0
Operational result[i] excluding Health Netherlands	**604**	**441**	**37%**
Health Netherlands	241	187	29%
of which Basic Health Insurance	125	79	58%
of which Supplementary Health Insurance and other	116	108	7%
Operational result including Health Netherlands	**845**	**628**	**35%**
Non-operational result	796	326	144%
Result before tax	**1,641**	**954**	**72%**
Corporate income tax expenses	338	140	141%
Net result	**1,303**	**814**	**60%**
Non-Life Netherlands	4,397	4,044	9%
Health Netherlands	17,663	15,571	13%
Pension & Life Netherlands	648	729	-11%
International activities	2,062	1,756	17%
Gross written premiums[ii]	**24,813**	**22,243**	**12%**
Total revenue segment Retirement Services	**538**	**490**	**10%**
Gross operating expenses[iii]	**2,525**	**2,375**	**6%**
Of which related to non-insurance activities	657	611	8%

BALANCE SHEET	31.12.2024	31.12.2023	Δ
Total assets	82,238	77,718	6%
Total equity	9,415	8,980	5%

ASSETS UNDER MANAGEMENT (IN € BILLION)	31.12.2024	31.12.2023	Δ
Achmea Investment Management	233	190	43
Achmea Real Estate**	0	29	-29
Total mortgages ***	33	0	33
Total Assets under Management** **	**265**	**218**	**22%**

SOLVENCY AND OPERATIONAL FREE CAPITAL GENERATION	31.12.2024	31.12.2023	Δ
Solvency ratio Achmea Group after dividend[iv]	182%	183%	**-1 %-pt**
Solvency ratio insurance entities and holding company	194%	196%	**-2 %-pt**
Common Equity Tier 1 ratio Achmea Bank	19.1%	16.9%	**2.2 %-pt**
Operational Free Capital Generation (€ million)	450	n.a.	

Ratings	31.12.2024	31.12.2023	
S&P (Financial Strength Rating)	A (Stable)	A (Stable)	Unchanged
Fitch (Insurer Financial Strength)	A+ (Stable)	A+ (Stable)	Unchanged

EMPLOYEES IN THE NETHERLANDS AND ABROAD[v]	31.12.2024	31.12.2023	Δ
FTE Netherlands	14,258	13,991	2%
FTE International	3,102	2,999	2%
Total FTE	17,360	16,990	1%

* Recalculated in accordance with IFRS 9/17 and the changed premium definition for Life Insurance contracts.

** Stichting Achmea Real Estate & Finance is split in Achmea Real estate and Achmea Mortgage Funds

*** Managed by Achmea Mortgage Fund and/or Syntrus Achmea Hypotheekdiensten

**** Total assets under management after eliminations

i Operational result is equal to the result before tax adjusted for reorganisation expenses, results from mergers & acquisitions and application of an expected return method for the net financial result from (re)insurance activities. Using this method, we base our calculations on the expected market rates at the start of the year and normalised returns on investments in equity and investment property. The same market rates are also used to determine the discount curve and provision for accrual of our insurance liabilities when calculating the operational result.

ii Gross written premiums (or premiums) for Property & Casualty insurance (with the exception of disability insurance contracts) and Health insurance relate to insurance contracts with starting dates during the reporting period and comprise the contractual premiums throughout the entire contract period. The gross written premiums for Health insurance also include the contribution from the Health Insurance Equalisation Fund. The contract period is the period during which Achmea is unable to (entirely) adjust the premiums or the insurance policy conditions for the changed Risk Profile of policyholders. For the other insurance contracts, the amount of gross written premiums is equal to the premiums owed or earned during the contract period.

iii Gross operating expenses comprise personnel costs, depreciation costs for property for own use and equipment and general expenses, including IT expenses and marketing expenses.

iv The solvency ratios reported here are based on our Partial Internal Model and are after the deduction of (planned) payment of dividends and coupons on hybrid capital.

v The number of FTE is based on a working week of 34 hours for the Dutch FTE and 40 hours for the international FTE.

Operational result

The operational result increased to € 845 million in 2024 (2023: € 628 million) driven by improved results in Pension & Life Netherlands, International and Health Netherlands. Non-Life Netherlands contributes significantly to the result

OPERATIONAL RESULT

(€ MILLION)

	2024	2023	Δ
Operational result[1] excluding Health Netherlands	**604**	**441**	**163**
Operational insurance service result excl. Health Netherlands	419	287	132
Net operational financial result excl. Health Netherlands	387	278	109
Other results excl. Health Netherlands	-202	-124	-78
Operational result[1] Health Netherlands	**241**	**187**	**54**
Operational insurance service result Health Netherlands	28	32	-4
Net operational financial result Health Netherlands	203	147	56
Other results Health Netherlands	10	8	2
Operational result[1] including Health Netherlands	**845**	**628**	**217**

1 The operating expenses that can be allocated to the insurance activities are recognised under Expenses from insurance-related services.

Non-Life Netherlands achieved an operational result of € 300 million, in line with 2023 (2023: € 309 million). Adjusted for investments in InShared's international expansion and an inflation result in 2023 (due to lower inflation expectations), the underlying result improved. In P&C, premium indexations compensated for the impact of the overall increase in claims costs as a result of persistent inflation. In addition, there were fewer major claims in 2024 than in 2023. At Income Protection, the result is under pressure due to increasing absenteeism and higher claims inflow into the WIA disability portfolio.

In 2024, the operational result for Health Netherlands increased to € 241 million (2023: € 187 million) driven by a higher operational financial result. The insurance service result was stable despite the capital deployment in 2024 for loss making premiums 2025, partly due to increased economies of scale driven by the increase in policyholders in 2024.

At Pension & Life Netherlands, the operational result increased to € 354 million (2023: € 208 million) due to an increase in the operational financial result driven by higher investment returns. The insurance service result increased as 2023 included an addition to the provision for the final agreement on Unit Linked policies.

At Retirement Services, the result decreased to € 32 million in 2024 (2023: € 47 million), mainly due to investments related to the new pension system at Achmea Pension Services and investment in future growth at CB PPI. Adjusted for these one-offs the underlying development is positive. The result of Achmea Bank increased driven by growth in the mortgage portfolio. The result at Achmea Investment Management increased driven by the growth in Assets under Management onboarding of new clients and expansion of services for existing clients.

Operational result of International activities increased strongly to € 47 million (2023: € 6 million) due to portfolio growth, increased premiums, lower cost of weather-related claims and a higher net operational financial result.

The operational result for Other activities was stable at €- 129 million (2023: €- 129 million). At Achmea Reinsurance, the operational result increased by € 30 million to € 51 million due to lower net claim expenses given the absence of large natural catastrophe claims and a higher operational financial result.

The result in Other activities includes the expenses of the holding and shared service activities, as well as the financing costs for bonds issued by Achmea. The operational result of the holding company decreased due to higher interest expenses due to the early refinancing of Tier 2 notes in April 2024.

Result before tax

RESULT BEFORE TAX

(€ MILLION)

	2024	2023	Δ
Operational result	**845**	**628**	**217**
Non-operational result	**796**	**326**	**470**
Non-operational financial result	892	344	548
Reorganisation expenses	-26	-14	-12
Transaction results (mergers and acquisitions)	-70	-4	-66
Result before tax	**1,641**	**954**	**687**

The non-operational result, the difference between the result before tax and the operational result increased to € 796 million in 2024 (2023: € 326 million).

The non-operational financial result of 2024 was € 892 million and € 548 million higher than last year. This is partly driven by more favourable developments on the financial markets than expected and a continuous focus on optimisation of our investment portfolio. The main drivers of the positive result in the (matching) portfolio in 2024 are the interest rate and spread developments. Returns on equities and real estate were also higher compared to 2023. Whereas 2023 recorded a negative result of € 199 million, real estate in 2024 showed a positive return of € 38 million on the back of a more favourable development of the residential housing market. In addition, in 2024, the return on equities was € 176 million higher than expected (2023: € 133 million higher than expected) and the return on commodities was € 37 million higher than expected (2023: € 11 million lower than expected), due to increases in emerging market equity indices and commodity prices (especially gold).

Reorganisation expenses increased from € 14 million to € 26 million, partly related to the announced closing of the head office in Zeist. The transaction result from mergers and acquisitions were € 44 million negative in 2024 (2023: € 0 million). This includes the result on the sale of the Canadian operation (Onlia) and M&A related project costs, including the strategic partnership with ELG Group Limited. The goodwill impairment of € 26 million is related to CB PPI due to increased future costs and an increased discount rate.

Net result

The net result amounted to € 1,303 million in 2024 (2023: € 814 million). The effective tax expenses were € 338 million (20.6%). The effective tax rate is lower than the nominal tax rate, mainly as a result of the deduction of the interest payments on perpetual bonds of which the interest expenses are recognised through equity and the tax exempt results of our Health business.

Revenues

GROSS WRITTEN PREMIUMS (€ MILLION)

	2024	2023	Δ
Gross written premiums	**24,813**	**22,243**	**12%**
Non-Life Netherlands	4,397	4,044	9%
Health Netherlands	17,663	15,571	13%
Pension & Life Netherlands	648	729	-11%
International activities	2,062	1,756	17%

Gross written premiums increased by 12% to € 24,813 million in 2024 (2023: € 22,243 million).

Premiums at Non-Life Netherlands grew by 9% to € 4,397 million (2023: € 4,044 million) due to indexations related to inflation and growth in customer numbers.

Premiums at Health Netherlands increased by 13% to € 17,663 million (2023: € 15,571 million) due to an increase in the number of insured with about 450,000 in 2024 and higher policyholder premiums caused by healthcare costs inflation and a higher contribution from the Health Insurance Equalisation Fund.

Gross written premiums from pension and life insurance policies in the Netherlands decreased by 11% to € 648 million (2023: € 729 million) due to lower indexations and the run-off of the service book, partly compensated by growth in the term life insurance open-book portfolio.

At Retirement Services, revenues grew by 10% to € 538 million in 2024 (2023: € 490 million) as a result of the higher interest margin and higher fee income driven by portfolio growth at Achmea Bank and higher Assets under Management at Achmea Investment Management.

Assets under management at Achmea Investment Management increased to € 233 billion (year-end 2023: € 190 billion) driven by positive developments in the financial markets, the acquisition of Blue Sky Group Vermogensbeheer (€ 27 billion) on 31 December 2024 and as a result of organic growth. Assets under management at Achmea Real Estate were stable at € 12 billion. Asset under Management in mortgages increased to € 33 billion (year-end 2023: € 29 billion).

Premiums in our International activities increased in both the non-life and health business. Premiums from our international non-life business increased by 24% to € 1,056 million (2023: € 849 million), driven by growth in the number of customers and premium adjustments. Premiums from our international health business grew by 11% to € 956 million (2023: € 862 million), largely owing to growth in Slovakia.

Operating expenses

The gross operating expenses that are allocated to the insurance activities are recognised under the expenses from insurance-related services. The part of operating expenses that is not allocated to the insurance activities and the operating expenses from other activities are recognised under Operating expenses in the income statement.

TOTAL GROSS OPERATING EXPENSES (€ MILLION)

	2024	2023	Δ
Related to insurance activities[vi]	1,868	1,764	6%
Related to non-insurance activities	865	611	9%
Gross operating expenses	**2,525**	**2,375**	**6%**

vi The operating expenses that can be allocated to the insurance activities are recognised under Expenses from insurance-related services.

Gross operating expenses increased by 6% to € 2,525 million in 2024 (2023: € 2,375 million) due to higher staff expenses as a result of the collective labour agreement increase, more FTE due to growth, and project related expenses.

The total number of employees grew to 17,360 FTE (year-end 2023: 16,690 FTE). In the Netherlands, the number of FTE increased to 14,258 (year-end 2023: 13,991 FTE) due to portfolio growth and investments in amongst others additional CDD (‘Customer Due Diligence’) activities and the new pension system. The total number of employees outside the Netherlands grew to 3,102 FTE (year-end 2023: 2,999 FTE).

DEVELOPMENTS IN NON-LIFE INSURANCE IN THE NETHERLANDS (IFRS ACCOUNTING)

RESULTS (€ MILLION)

	2024	2023	Δ
Operational insurance service result	**223**	**247**	**-10%**
Revenue from insurance-related services	4,321	4,034	7%
Expenses from insurance-related services	-4,070	-3,620	-12%
Insurance service result from reinsurance contracts	-28	-167	n.m.
Net operational financial result from (re)insurance activities	94	74	27%
Other results	-17	-12	42%
Operational result	**300**	**309**	**-3%**
Gross written premiums	4,397	4,044	9%

NON-LIFE NETHERLANDS	2024	2023	Δ
Claims ratio	71.1%	69.6%	1.5%-pt
Expense ratio	23.7%	24.3%	-0.6%-pt
Combined ratio	**94.8%**	**93.9%**	**0.9%-pt**

	31.12.2024	31.12.2023	Δ
Solvency ratio Achmea Schadeverzekeringen N.V.	**157%**	**143%**	**14 %-pt**

General Information

Achmea is the market leader in Property & Casualty insurance for many years and ranks in the top three in Income Protection insurance. We provide our retail and commercial customers with amongst others car insurance, fire insurance, liability insurance and travel insurance. In addition, we offer sickness and disability insurance. We support our customers with innovative services that give insight into the risks to which they are exposed. In doing so, we help our customers to prevent and/or restrict damage as much as possible.

We distribute our products and services directly through our brands Centraal Beheer, FBTO and InShared, which gives us a strong position in the retail market. Interpolis is the brand for our Rabobank customers, and via Avéro Achmea we have an excellent partnership with intermediaries and insurance brokers. Our focus is on a high level of customer satisfaction, low costs, prevention and digitisation of processes.

Operational result

At € 300 million, the operating result for Non-Life Netherlands is in line with last year (2023: € 309 million). The combined ratio was 94.8% (2023: 93.9%), within range of our long-term return target of a combined ratio of 94-95% in 2025. Adjusted for investments in InShared's international expansion and an inflation result in 2023, the underlying result improved and the combined ratio is in line with 2023.

The operational insurance service result decreased to € 223 million in 2024 (2023: € 247 million). This is partly driven by investments in Inshared's international expansion in Germany and Spain and an inflation result in 2023 (due to lower inflation expectations). Excluding these, the result has improved. In P&C, premium indexations compensated for the impact of the overall increase in claims costs as a result of persistent inflation. In addition, there were fewer major claims in 2024 than in 2023. At Income Protection, the result is under pressure due to increasing absenteeism and higher inflow into the WIA disability portfolio. The net operational financial result for 2024 increased to € 94 million (2023: € 74 million) due to more favourable interest rate developments.

Operating expenses

Operational expenses increased to € 1,033 million (2023: € 986 million) while the expense ratio improved from 24.3% in 2023 to 23.7% in 2024. In absolute terms, the effects of the collective labour agreement and the relatively high inflation have largely been compensated by efficiency improvements.

Gross written premiums

Gross written premiums increased by 9% to € 4,397 million (2023: € 4,044 million). Partly due to indexations, partly due to growth in customer numbers.

BREAKDOWN OF NET PROFIT ACHMEA SCHADEVERZEKERINGEN N.V. AND N.V. HAGELUNIE

€ MILLION

	2024		2023	
	ASNV	HAGELUNIE	ASNV	HAGELUNIE
Insurance revenue,	4,219	143	3,982	129
Insurance service expenses	-4,041	-60	-3,626	-78
Net expenses from reinsurance contracts	2	-44	-141	-30
Insurance service result	**180**	**40**	**215**	**21**
Investment return from insurance activities	370	18	370	14
Finance expenses from insurance contracts	-151	-1	-233	-1
Finance revenues from reinsurance contracts	5	0	26	0
Net financial result from insurance contracts	**224**	**17**	**163**	**13**
Income subsidiary and associated companies	10	0	5	0
Investment income from other activities	0	0	0	0
Revenue from investment contracts	0	0	0	0
Revenue from other services	0	0	0	0
Other income	0	0	1	-1
Total other income	**10**	**0**	**6**	**-1**
Other operating expenses	0	0	0	0
Interest and similar expenses	-16	0	-13	0
Other expenses	-10	-2	-2	-1
Total other expenses	**-26**	**-2**	**-15**	**-1**
Result before tax	**388**	**55**	**368**	**32**
Tax continued operations	-95	-14	-96	-8
Net Result	**293**	**41**	**273**	**24**

DEVELOPMENTS IN HEALTH INSURANCE IN THE NETHERLANDS (IFRS ACCOUNTING)

RESULT	2024	2023	(€ MILLION)
Operational insurance service result	**28**	**32**	**-13%**
Revenue from insurance-related services	17,649	15,553	13%
Expenses from insurance-related services	-17,620	-15,520	14%
Insurance service result from reinsurance contracts	-1	-1	0%
Net operational financial result from (re)insurance activities	203	147	38%
Other results	10	8	25%
Operational result	**241**	**187**	**29%**
Gross written premiums	17,663	15,571	13%

BASIC HEALTH	2024	2023	Δ
Claims ratio	98.7%	98.7%	0.0 %-pt
Expense ratio	1.5%	1.6%	−0.1 %-pt
Combined ratio	100.2%	100.3%	-0.1 %-pt

SUPPLEMENTARY HEALTH	2024	2023	Δ
Claims ratio	84.5%	83.0%	1.5 %-pt
Expense ratio	9.8%	9.8%	0.0 %-pt
Combined ratio	94.3%	92.8%	1.5 %-pt

SOLVENCY II	31.12.2024	31.12.2023	Δ
Solvency ratio Achmea Zorgverzekeringen N.V.	160%	162%	-2 %-pt

General information

With our health care activities Achmea is market leader in the Netherlands. Zilveren Kruis, De christelijke zorgverzekeraar, De Friesland, Interpolis and FBTO offer our customers basic and supplementary health insurance. The Eurocross Assistance Company provides healthcare services worldwide.

The number of policyholders with basic health insurance remained stable between 2024 and 2025 at 5.3 million.

We are committed to sustainable and accessible healthcare. Together we use more healthcare services in the Netherlands and face a shortage of health professionals. This is why Zilveren Kruis and Achmea’s other health insurance brands are working to bringing about the necessary changes in healthcare. This includes innovations, preventing the need for (more) care and preventively improving general health. We are doing this for our individual customers, but also in collaboration with our partners, including healthcare providers, employers and municipalities.

We can also contribute to sustainability in healthcare. The healthcare sector is responsible for more than 7% of carbon emissions in the Netherlands. That is why various healthcare organisations worked together in 2022 on the creation of a new Green Deal Sustainable Care. It sets goals for improving health and goals to reduce carbon emissions, the use of raw materials and the environmental impact of medication. Zilveren Kruis wants to facilitate healthcare providers in the core regions where it is the market leader to realise the Green Deal ambitions. In doing so, we focus on specific areas such as reducing carbon emissions by making healthcare real estate more sustainable, reducing waste streams from the Intensive Care Units and Operating Rooms of hospitals and combating the waste of medicines.

Furthermore, in its role as the biggest health insurer in its core regions Zilveren Kruis is involved in guiding the sector towards the healthcare of the future.

Operational result

The operational result in 2024 for Health Netherlands amounted to € 241 million (2023: € 187 million), consisting of € 125 million (2023: € 79 million) on basic health insurance, € 109 million (2023: € 103 million) on supplementary health insurance and € 7 million (2023: € 5 million) on other.

The operational result of our basic health insurance increased by € 46 million due to higher investment results. The operational insurance service result decreased as a loss component and risk adjustment were formed for a loss-making 2025 premium. In addition, higher health care costs due to the higher number of insured and health care cost inflation had a negative impact on the result. This was largely offset by higher premiums as a result of the higher number of insured, higher policyholder premiums and a higher contribution from the Health Insurance Equalisation Fund.

The combined ratio on the basic health insurance slightly improved to 100.2% as a result of a lower cost ratio due to the increased number of policyholders and a focus on efficiency.

The operational result on supplementary health insurance increased slightly due to higher investment income and higher premium income as a result of the higher number of insured, partly offset by higher healthcare costs. The percentage of basic health insurance policyholders with supplementary coverage (supplementary and/or dental insurance) slightly decreased to 76% in 2024 (2023: 79%). The FBTO brand in particular has attracted many new policyholders who opted for a lower supplementary and/or dental insurance coverage.

The combined ratio of supplementary health insurance came in at 94.3% (2023: 92.8%). This increase is mainly caused by higher health care consumption and health care cost inflation.

The other category relates to healthcare offices that implement the Long-term Care Act (Wlz) and the healthcare service companies. The healthcare service companies, particularly the Eurocross Assistance Company, aim to assist customers if they urgently require healthcare when abroad, travelling in the Netherlands or at home, and to help people to improve their vitality at work and in everyday life.

The operational result in 2024 improved largely thanks to higher revenue at the Eurocross Assistance Company and higher reimbursements from the government under the Long-term Care Act.

Gross written premiums

Gross written premiums from basic and supplementary health insurance totalled € 17,663 million, 13% higher than last year (2023: € 15,571 million). Gross written premiums from basic health insurance amounted to € 16,395 million (2023: € 14,373 million). The increase of 14% is the result of the increase in the number of policyholders, higher policyholder premiums and a higher contribution from the Health Insurance Equalisation Fund.

Gross written premiums from supplementary health insurance increased by 6% to € 1,268 million (2023: € 1,198 million). The increase in premiums is primarily due to the increased number of policyholders

BREAKDOWN OF NET PROFIT HEALTH INSURANCE

€ MILLION

2024	ZILVEREN KRUIS ZORGVERZEKERINGEN N.V.	INTERPOLIS ZORGVERZEKERINGEN N.V.	ACHMEA ZORGVERZEKERINGEN N.V.	FBTO ZORGVERZEKERINGEN N.V.	DE FRIESLAND ZORGVERZEKERAAR N.V.
Insurance revenue	11,847	651	1,268	1,974	1,907
Insurance service expenses	-11,872	-647	-1,199	-1,996	-1,913
Net expenses from reinsurance contracts	1	-1	0	-1	-2
Insurance service result	**-24**	**4**	**69**	**-23**	**-8**
Investment return from insurance activities	84	4	25	22	9
Finance expenses from insurance contracts	-10	1	0	-1	0
Finance revenues from reinsurance contracts	0	0	0	0	0
Net financial result from insurance contracts	**74**	**5**	**25**	**21**	**9**
Income subsidiary and associated companies	101	6	226	6	19
Investment income from other activities	0	0	0	0	0
Revenue from investment contracts	0	0	0	0	0
Revenue from other services	6	0	0	0	0
Other income	5	0	0	1	1
Total other income	**112**	**6**	**226**	**7**	**20**
Other operating expenses	0	0	0	0	0
Interest and similar expenses	13	0	0	1	0
Other expenses	0	0	8	0	0
Total other expenses	**13**	**0**	**8**	**1**	**0**
Result before tax	**149**	**15**	**312**	**4**	**21**
Tax continued operations	0	0	0	0	0
Net Result	**149**	**15**	**312**	**4**	**21**

2023	ZILVEREN KRUIS ZORGVERZEKERINGEN N.V.	INTERPOLIS ZORGVERZEKERINGEN N.V.	ACHMEA ZORGVERZEKERINGEN N.V.	FBTO ZORGVERZEKERINGEN N.V.	DE FRIESLAND ZORGVERZEKERAAR N.V.
Insurance revenue	11,091	609	1,197	1,028	1,627
Insurance service expenses	-11,141	-591	-1,112	-1,046	-1,633
Net expenses from reinsurance contracts	2	0	0	-1	-2
Insurance service result	**-48**	**18**	**86**	**-18**	**-7**
Investment return from insurance activities	74	4	11	8	11
Finance expenses from insurance contracts	-10	0	0	0	-2
Finance revenues from reinsurance contracts	0	0	0	0	0
Net financial result from insurance contracts	**63**	**4**	**11**	**7**	**9**
Income subsidiary and associated companies	97	6	188	6	18
Investment income from other activities	0	0	0	0	0
Revenue from investment contracts	0	0	0	0	0
Revenue from other services	5	0	0	0	0
Other income	5	0	0	1	1
Total other income	**107**	**6**	**188**	**6**	**19**
Other operating expenses	0	0	0	0	0
Interest and similar expenses	-9	0	0	-1	0
Other expenses	1	0	-7	0	0

Total other expenses	**-8**	**0**	**-7**	**-1**	**0**
Result before tax	**114**	**28**	**278**	**-6**	**21**
Tax continued operations	0	0	0	0	0
Net Result	114	28	278	-6	21

DEVELOPMENTS IN PENSION AND LIFE INSURANCE IN THE NETHERLANDS (IFRS ACCOUNTING)

RESULTS

(€ MILLION)

	2024	2023*	Δ
Operational insurance service result	**126**	**14**	**n.m.**
Revenue from insurance-related services	1,534	1,679	-9%
Expenses from insurance-related services	-1,408	-1,665	-15%
Insurance service result from reinsurance contracts	0	0	n.m.
Net operational financial result from (re)insurance activities	245	201	22%
Other results	-17	-7	n.m.
Operational result	**354**	**208**	**70%**
Gross written premiums	648	729	-11%

	31.12.2024	31.12.2023	Δ
Contractual Service Margin (CSM)	980	1,030	-5%
Risk adjustment	679	700	-3%

	31.12.2024	31.12.2023	Δ
Solvency ratio Achmea Pensioen- en Levensverzekeringen N.V.	175%	177%	-2 %-pt

n.m.: not meaningful
* The premium definition for Life Insurance contracts has been changed in line with the IFRS17 guidelines.

General information

Via our Centraal Beheer, FBTO and Interpolis brands and via the Centraal Beheer PPI we offer term life insurance, individual pension annuities and annuities. This is how we achieve growth in our open-book portfolio. In addition, the Pension & Life service organisation manages a service-book portfolio containing group pension contracts and traditional savings and life insurance products. The service organisation has the ambition of earning a stable result with positive capital generation combined with a high level of customer satisfaction.

Operational result

In 2024 the operational result for Pension & Life Netherlands (AP&L) increased to € 354 million (2023: € 208 million) due to an increase in investment income driven by continuous focus on optimisation of our investment portfolio, the developments of interest rates and spreads, as well as higher yields on equities and real estate. The insurance service result increased substantially as 2023 included an addition to the technical provision for the final agreement on Unit Linked policies.

Gross written premiums

In 2024 the gross written premiums decreased to € 648 million (2023: € 729 million). The premiums consist of € 252 million (2023: € 221 million) from the open book and € 396 million from the service book (2023: € 508 million).

In the open-book portfolio premiums from term life insurance increased to € 78 million (2023: € 70 million). Our market share increased to 17% at the end of the year. In 2024, the single-premiums for immediate annuities and pensions business increased to € 174 million (2023: € 151 million), mainly due to new business via the Centraal Beheer platform.

In 2024, the total premiums of the service-book pension portfolio decreased to € 88 million (2023: € 146 million) due to lower indexations. The total premiums of our service book life portfolio decreased to € 308 million (2023: € 362 million). No insurance contracts are concluded with new customers on these portfolios, in line with our service-book strategy.

Development of CSM and Risk Adjustment

Both the CSM and the Risk Adjustment decreased in 2024 and amounted to € 980 million (2023: € 1,030 million) and € 679 million (2023: € 700 million), respectively. Both the CSM and the Risk Adjustment declined due the regular release in 2024.

BREAKDOWN OF NET PROFIT

€ MILLION

	2024	2023
Insurance revenue	1,573	1,707
Insurance service expenses	-1,445	-1,700
Net expenses from reinsurance contracts	0	0
Insurance service result	128	7
Investment return from insurance activities	2,186	2,677
Net finance expenses from insurance contracts	-1,462	-2,473
Net finance revenues from reinsurance contracts	1	2
Net financial result from insurance contracts	725	206
Income subsidiary and associated companies	104	50
Investment income from other activities	0	0
Revenue from investment contracts	0	0
Revenue from other services	0	0
Other income	0	0
Total other income	104	50
Other operating expenses	-3	-3
Interest and similar expenses	-4	-5
Other expenses	0	0
Total other expenses	-7	-9
Result before tax	950	255
Tax continued operations	-218	-53
Net Result	**732**	**202**

DEVELOPMENTS IN INTERNATIONAL ACTIVITIES (IFRS ACCOUNTING)

RESULTS

(€ MILLION)

	2024	2023	Δ
Operational insurance service result	**31**	**-7**	**n.m.**
Revenue from insurance-related services	1,864	1,564	19%
Expenses from insurance-related services	-1,641	-2,153	n.m.
Insurance service result from reinsurance contracts	-192	582	n.m.
Net operational financial result from (re)insurance activities	66	52	27%
Other results	-50	-39	28%
Operational result	**47**	**6**	**n.m.**
Gross written premiums	2,062	1,756	17%

GROSS WRITTEN PREMIUMS PER COUNTRY	2024	2023	Δ
Slovakia	910	824	10%
Greece	473	422	12%
Türkiye	600	441	36%
Australia	79	69	14%

n.m.: not meaningful

General information

Achmea’s international activities focus on non-life and health insurance products, distributed via the online (direct) and banking channels. We want to grow further internationally by exporting knowledge and digital expertise gained in the Netherlands to other countries.

Operational result

The operational result in 2024 amounted to € 47 million (2023: € 6 million).

Slovakia's operational result decreased to €- 16 million (2023: € 14 million). The result was lower due to higher health care cost which were not fully compensated by the government contribution. Additionally, the motor and property portfolio showed higher claims ratio compared to last year.

Australia's operational result increased by € 15 million to € 10 million in 2024 (2023: €- 5 million) due to portfolio growth, premium adjustments and lower claims expense, partly due to the absence of major weather-related calamities.

Greece's operational result increased to € 21 million (2023: € 2 million) due to an increase in the number of insured, premium adjustments and a lower frequency of claims. The results of 2023 included the effects of storm Daniel.

Türkiye’s operational result increased to € 36 million (2023: € 4 million). In 2023, the operational result was adversely affected by the earthquake in February 2023. The insurance result improved in 2024 due to increased sales and a decrease in claims ratio. Additionally, the net financial result benefited from higher financial income compared to last year.

Gross written premiums

Gross written premiums increased by 17% to € 2.1 billion in 2024 (2023: € 1.8 billion).

In Slovakia, gross written premiums increased by 10% due to an increase in health insurance premiums and portfolio growth.

In Greece, premium income increased by 12% due to customer growth and premium adjustments in the life, health and non-life segments.

In Türkiye premium income increased by 36%, mainly driven by portfolio growth in Fire, Engineering and MTPL segments.

In Australia premium income increased by 14%, driven by premium adjustments.

DEVELOPMENTS ACHMEA REINSURANCE COMPANY N.V. (IFRS ACCOUNTING)

RESULTS		(€ MILLION)	
	2024	2023	Δ
HOLDING COMPANY			
Operational result Achmea Reinsurance Company	51	21	143%
Gross other income	84	85	-1%
Operating expenses	-96	-130	-26%
Interest and similar expenses	-106	-76	39%
Other expenses	-62	-29	114%
Operational result Holding company	-180	-150	20%
Operational result Other activities	-129	-129	0%

ACHMEA REINSURANCE COMPANY N.V.			
Insurance service result	**36**	**15**	**140%**
Revenue from insurance-related services	309	321	-4%
Expenses from insurance-related services	-254	-221	15%
Insurance service result from reinsurance contracts	-19	-85	-78%
Net operational financial result from (re)insurance activities	19	13	46%
Other results	-4	-7	-43%
Operational result Achmea Reinsurance	51	21	143%
Gross written premiums	349	403	-13%

General information

Other activities include the results of Achmea Reinsurance and shareholder expenses, including a part of the expenses from the holding company and shared service activities that are not charged to the operating activities, as well as the financing charges for the bonds issued by Achmea.

Operational result

The operational result amounted to €- 129 million and was in line with 2023 (2023: €- 129 million).

The operational result of the Holding company decreased with € 30 million to €- 180 million (2023: €- 150 million) mainly due to higher interest expenses due to the issuance of Tier 2 notes in April 2024. The proceeds were partly used for the early redemption of part of the outstanding Tier 2 notes with a first call date in February 2025 (€ 357 million of the € 750 million outstanding).

The operational result of Achmea Reinsurance increased to € 51 million in 2024 (2023: € 21 million) due to both a higher insurance service result and a higher net operating financial result from (re)insurance activities.

The operational insurance service result increased to € 36 million in 2024 (2023: € 15 million). This is mainly explained by a lower net cost of claims due to the absence of large natural catastrophe claims and higher net premium income on the group programme due to the renewal and the growth of the underlying group portfolio. These effects are partially offset by the lower premium income as a result of the decision to stop taking third-party P&C reinsurance.

In addition, the net operational financial result from (re)insurance activities increased to € 19 million in 2024 (2023: € 13 million) as a result of a higher interest result.

Gross written premiums amounted to € 349 million in 2024 and are down compared to last year (2023: € 403 million). The decrease is mainly due to the decision to stop taking on third-party P&C reinsurance

BREAKDOWN OF NET PROFIT ACHMEA REINSURANCE COMPANY N.V.

€ MILLION

	2024				2023			
	NONV-LIFE	LIFE	OTHER NON TECHNICAL	TOTAL	NON-LIFE	LIFE	OTHER NON TECHNICAL	TOTAL
Insurance revenue	261	52		312	279	41		320
Insurance service expenses	-193	-53		-245	-193	-41		-235
Net expenses from reinsurance contracts	-18	0		-19	-83	0		-83
Insurance service result	**49**	**-1**		**48**	**3**	**0**		**3**
Investment return from insurance activities	17	4	22	42	17	4	15	37
Finance expenses from insurance contracts	-11	1		-10	-22	-1		-23
Finance revenues from reinsurance contracts	8	0		8	14	0		14
Net financial result from insurance contracts	**15**	**4**	**22**	**41**	**9**	**3**	**15**	**28**
Income subsidiary and associated companies							-1	-1
Investment income from other activities							0	0
Revenue from investment contracts							0	0
Revenue from other services							0	0
Other income							0	0
Total other income							**-1**	**-1**
Other operating expenses	6	0	0	6	4	1		5
Interest and similar expenses	-2		0	-1	-2	0		-2
Other expenses					3	0	0	3
Total other expenses	**4**	**0**	**0**	**4**	**5**	**1**		**6**
Result before tax	**60**	**3**	**21**	**84**	**7**	**3**	**14**	**24**
Tax continued operations			24	24			-9	-9
Net Result	60	3	-3	60	7	3	5	15

A.3. INVESTMENT PERFORMANCE

In the table below, the direct investment income on the investment portfolio of Achmea is reported. The direct investment income is divided into three parts: received dividends on equity and similar investments, received rent on property and received interest on fixed income securities such as bonds and loans.

INVESTMENT INCOME

€ MILLION

	2024	2023
Dividends	150	125
Rent	33	37
Interest	1,322	1,010
Bonds	640	445
Mortgages and loans	303	303
Derivatives	153	129
Other	227	133

Compared to 2023, dividend income increased with € 25 million. This is mainly caused by dividend pay-outs from participations Achmea Bank N.V. which increased from € 15 million in 2023 to € 31 million in 2024. Moreover, Achmea Real Estate B.V. paid dividend for an amount of € 14 million in 2024 (2023: nil).

Dividend received from the regular equity portfolio decreased with € 10 million in 2024, mainly due to the temporary derisking strategy which was implemented in 2023, and gradually laid down in 2024.

Under the EBS group of Solvency II, the above mentioned entities are included as participation because they are either CRD IV/IFD/IFR/IORP covered entities or non-ancillary entities. The first category is not included in the IFRS financial statements as participation but line-by-line. Therefore, the dividend received differs under Solvency II. In the table, Achmea has included the distributions from group companies towards the ultimate parent. Where distributions have been made, similar adjustments have been made in the table where Achmea presents the ‘gains and losses’. In total, the net impact is zero. The negative effect on the valuation of the participations are presented in the table ‘Gains and Losses’ under Equity investments in the table below.

The rental income decreased in 2024 to € 33 million. This is partly due to the sale of seven investment property objects in 2024, valued altogether for an amount of € 74 million.

Earned interest on bonds increased with € 195 million compared to previous year, mainly due to the rise of short and mid term interest rates in preceding years. This has caused an increase in coupons on both government and corporate bonds. Moreover, an increase of received variation margin in 2024 resulted in an increase in invested volume in short term bonds. As a result, earned interest on bonds increased as well.

The interest earned on mortgages and loans is in line with the previous year. The mortgages and loans portfolio has remained the same in size.

Lower 6 month EURIBOR rates combined with a net exposure to receiver interest rate swaps resulted in an increase in earned interest on derivatives of € 24 million compared to 2023. Moreover, Achmea Schadeverzekeringen N.V. started an overlay management portfolio in 2024 consisting of interest rate swaps, which generated earned interest for an amount of € 2 million.

GAINS AND LOSSES

€ MILLION

	2024	2023
Equity investments	1,095	832
Bonds	191	1,034
Loans and Mortgages	313	681
Other	171	29

Developed market stocks gained around 25% in euros, while emerging market stocks returned about 15%. Global high yield bonds achieved a high return of approximately 9%, whereas eurozone government bonds lagged with a 2% return.

Donald Trump made a strong comeback in the U.S., winning the presidential election and securing Republican majorities in Congress. In 2024 markets reacted positively, especially to his deregulation plans. The U.S. dollar increased to $1.035. Both the Fed and ECB cut interest rates due to falling inflation, with the U.S. rate dropping to 4.25%-4.5% and the eurozone rate to 3.0%. Credit spreads on corporate and financial bonds tightened by 36 and 50 basis points respectively. The MSCI World index increased to 3,707 points, and the AEX index reached 878 points.

In the eurozone, France faced rising risk premiums on government bonds due to economic struggles and high debt levels. Germany's economy growth model stalled, but its debt ratio fell below 65% of GDP. Commodity prices varied, with oil prices dropping despite Middle Eastern tensions, while coffee and cocoa prices surged due to poor harvests and rising demand. Gold also saw a significant increase, reaching $2,629 per troy ounce.

These developments had a large positive effect for the performance of the investments of Achmea throughout 2024.

From the gains and losses in equity investments € 864 million is attributed to Achmea Pensioen- en Levensverzekeringen N.V. From this result, an amount of € 624 million can be attributed to investment funds that are held for Unit Linked or Index Linked contracts. Gains and losses in equity investments are also recognised in the other insurance legal entities; Achmea Schadeverzekeringen N.V. (€ 64 million), Achmea Reinsurance Company N.V. (€ 31 million) gaining the largest amounts.

Bonds experienced much smaller gains and losses in 2024 compared to 2023. This is mainly caused by rising interest rates which particularly effected government bonds, resulting into negative gains and losses of € 96 million. Corporate bonds (including collateralised securities) experienced positive gains and losses worth € 288 million, largely due to tightening credit spreads. €- 8 million of the € 191 gains and losses are attributable to investments held for Unit Linked of index linked contracts. € 90 million is attributable to investments held by Achmea Schadeverzekeringen N.V., and € 61 million to the various health entities of Achmea.

Gains and losses on loans and mortgages were € 313 million. This is primarily caused within the mortgage portfolios due to tightening mortgage credit spreads. The gains and losses on loans and mortgages in 2024 are mainly present in entities Achmea Pensioen- en Levensverzekeringen N.V. (€ 66 million), Achmea Woninghypotheken B.V.(€ 121 million), Achmea Woninghypotheken II B.V. (€ 79 million), and Achmea Woninghypotheken III B.V.(€ 39 million).

Gains and losses on Other investments are € 171 million. € 194 million is attributed to Achmea Pensioen- en Levensverzekeringen N.V. Additionally, gains and losses on other investments primarily include properties (€- 102 million), derivatives (€- 83 million), cash and deposits (€ 52 million), FX forward contracts (€- 169 million), credit derivatives (€ 25 million), interest rate and equity futures (€ 71 million) and interest rate swap(tion)s (€ 111 million).

A.4. PERFORMANCE OF OTHER ACTIVITIES

RETIREMENT SERVICES

RESULTS (€ MILLION)

RETIREMENT SERVICES	2024	2023	Δ
Total income	**538**	**490**	**10%**
Administrative and management fees	315	292	8%
Net interest margin	227	206	10%
Fair value results[9]	-4	-8	n.m.
Operating expenses[10]	-493	-441	11%
Other results	-13	-2	n.m.
Operational result	32	47	-32%

	2024	2023	Δ
Common Equity Tier 1 ratio Achmea Bank	19.1%	16.9%	-2.2%-pt
ICARAP ratio Achmea Investment Management	162%	163%	-1%-pt
ICARAP ratio Syntrus Achmea Real Estate & Finance*	n.a.	221%	n.a.
ICARAP ratio Achmea Real Estate	198%	n.a.	n.a.
ICARAP ratio Achmea Mortgage Fund	148%	n.a.	n.a.

(€ BILLION)

ASSETS UNDER MANAGEMENT[11]	2024	2023	Δ
Achmea Investment Management	233	190	43
Of which BSG Vermogensbeheer	27	0	27
Achmea Real Estate	12	41	-29
Of which real estate	12	12	0
Of which mortgages	0	29	-29
Total mortgages **	33	0	33
Total Assets under Management**	**265**	**218**	**47**

MORTGAGES	2024	2023	Δ
Banking mortgage portfolio	17.4	14.4	3.0

	2023	2023	Δ
Mortgage production Retirement Services	**5.1**	**4.1**	**1.0**
Of which on behalf of Achmea Bank	2.2	2.0	0.2
Of which on behalf of Achmea's insurance entities	0.6	0.7	0.1
Of which on behalf of third parties	2.3	1.4	0.9

SAVINGS	2024	2023	Δ
Banking customer accounts	10.1	8.7	1.4

* Syntrus Achmea Real Estate & Finance was split into Achmea Real Estate and Achmea Mortgage Fund
** Managed by Achmea Mortgage Fund and/or Syntrus Achmea Hypotheekdiensten
*** Total assets under management after eliminations

[9] The fair value result is an accounting result relating to hedge accounting and is compensated for in other reporting periods, in line with the value development of the underlying derivatives. Derivatives are used to restrict the interest rate risk. This explicitly concerns the result relating to the activities of Achmea Bank N.V.

[10] Operating expenses including other expenses and excluding transaction results.

[11] The Assets under Management (AuM) include a Derivatives (overlay) portfolio as well as the investments managed by Achmea IM, Achmea Real Estate and Achmea Mortgage Fund on behalf of the insurance entities within Achmea.

General information

As of 1 October 2024, Achmea has split the mortgage and real estate activities of Syntrus Achmea Real Estate & Finance (SAREF). This organisational change is important for the further growth of Achmea in mortgages and real estate and impacts the reporting in this segment as follows:

Achmea Bank N.V. acquired Syntrus Achmea Hypotheekdiensten B.V. (SAH) including its activities (origination and management of mortgages) from SAREF. Therefore, the results of SAH are part of the results of Achmea Bank from October 1st. Achmea Mortgage Funds B.V. (trade name: Achmea Mortgages) has taken over the management of mortgage funds and investment portfolios from SAREF and is reported separately.

SAREF has been renamed Achmea Real Estate and is responsible for asset management of real estate funds and separate accounts. The reported results of Achmea Real Estate include the full result of SAREF for the first nine months of 2024.

Operational result

The operational result decreased to € 32 million (2023: € 47 million), mainly due to one-off items. These one-offs concern a loss provision related to the investments in the transition to the new pension legislation and further improvements in portals and investment propositions. Corrected for the one-offs, the result increased due to growth and favourable market conditions. There is a substantial increase in the total assets under management in 2024. Additionally, the mortgage and savings portfolio of Achmea Bank grew strongly in 2024.

ACHMEA BANK N.V.

Achmea Bank N.V.'s operational result improved to € 87 million in 2024 (2023: € 75 million).

The interest result increased by € 21 million to € 227 million due to strong growth of the mortgage portfolios. The on- balance mortgage portfolio grew to € 17.4 billion (2023: € 14.4 billion). This strong growth was realised with origination of Centraal Beheer mortgages, acquisition of mortgage portfolios and mandates for the external mortgage platforms of A.S.R. and Munt mortgages. The retail savings portfolio increased to € 10.1 billion (2023: € 8.7 billion). The growth of mortgages, retail savings and retail investments also increased the customer base of Centraal Beheer, and therefore, supported and strengthened the growth ambition of Achmea Bank and Centraal Beheer.

Following the transfer of SAH, Achmea Bank N.V. services a growing mortgage portfolio of € 33 billion (of which € 11 billion Achmea Bank on balance mortgages), resulting in an increase in fee income by € 12 million), which is partly offset by increased operational expenses.

The capital position improved with a Total Capital ratio of 19.1% (year-end 2023: 16.9%).

ACHMEA INVESTMENT MANAGEMENT B.V.

In 2024, Achmea Investment Management B.V. (Achmea IM)'s operational result increased to € 9 million (2023: € 0 million).

Assets under management increased by € 43 billion to € 233 billion in 2024 (31 December 2023: € 190 billion), driven by the acquisition of BSG Vermogensbeheer, positive developments in the financial markets and as a result of the onboarding of new customers in 2024.

Driven by the increase of assets under management for existing clients, onboarding of new clients, the expansion of services for existing customers and the higher one-off fees for the transition to the new pension legislation (offset by higher one-off costs), total revenue increased to € 134 million (2023: € 114 million).

Expenses increased by € 11 million to € 125 million (2023: € 114 million) due to higher personnel costs and the increase of the cost related to the transition to the new pension legislation.

As part of the transformation of Achmea IM's operating model, an agreement was signed with State Street Alpha in March 2024 for the outsourcing of the investment administration. With the start of the outsourcing program, we are working towards an organisation to be able to respond more quickly to the changing landscape and the resulting needs of our customers.

Achmea IM's solvency remains strong. The Internal Capital Adequacy and Risk Assessment Process (ICARAP) ratio as at 31 December 2024 is 162% (year-end 2023: 163%).

The relative performance of almost all portfolios was good in 2024, continuing our long-term track records. For the majority of our clients and the majority of our asset classes, Achmea IM managed to outperform.

On 25 July Achmea announced that it had reached an agreement with Blue Sky Group (BSG) on the acquisition of BSG Vermogensbeheer. The transaction was settled at 31 December 2024. The integration of the activities will take place in 2025. This acquisition reinforces the position of Achmea IM in the asset management industry and further expands the company's expertise and customer base. BSG currently manages approximately € 27 billion AuM.

ACHMEA PENSION SERVICES

The operational result of Achmea Pension Services in 2024 was € 63 million negative (2023: € 35 million negative).

Revenue increased by € 7 million due to indexations and additional revenue from the transition to the new pension system, resulting in a total revenue in 2024 of € 63 million (2023: € 56 million).

Expenses increased by € 35 million to € 125 million (2023: € 90 million) due to higher investments for the implementation of the new pension legislation together with the first customer migration to the new AllVida platform. The expenses also increased due to loss provision related to the cost of the migration to the new pension legislation.

As of 2024, Achmea Pension Services performs the pension administration of the first pension fund on the new AllVida platform.

ACHMEA MORTGAGE FUNDS

Achmea Mortgage Funds strategy is focused on being a full-service mortgage asset manager, dedicated to provide a broad range of investment solutions through strongly positioned mortgage brands. By the end of 2024, it manages € 24 billion in assets under management (at the end of 2023, the corresponding mortgage portfolio amounted to € 22 billion) and achieved an operational result of € 1 million for the year 2024.

ACHMEA REAL ESTATE B.V.

The operational result in 2024 was stable at € 9 million (2023: € 9 million). As of 1 October 2024 the results of the mortgage activities are no longer included. Additionally, the indirect international real estate activities were transferred to Achmea Investment Management by mid-2024. Due to these transformations revenue declined to € 113 million (2023: € 135 million). Assets under management in real estate were stable at € 12 billion as at 31 December 2024 (2023: € 12 billion, € 41 billion including Mortgages).

The result of the mortgage activities increased due to higher revenues of the mortgage activities as a result of portfolio growth, while the successful migration to a single mortgage chain in 2023 resulted in a cost reduction.

This increase was not sufficient to compensate for the decline in the result of the real estate activities. The real estate market was challenging in 2024, especially for transactions & developments, although this effect was partly compensated by a recovery in the residential housing market. The expenses increased due to additional investments in customer due diligence activities and the new operational real estate system. This new integrated IT solution will support a more efficient operational process and enables the growth strategy of Achmea Real Estate B.V.

With an Internal Capital Adequacy and Risk Assessment Process (ICARAP) ratio of 198%, the capital position is solid.

CENTRAAL BEHEER PPI

Centraal Beheer PPI (CB PPI), through pension and financial advisors, offers sustainable and contemporary pension solutions for employers and administers the pension plan for their employees.

The operational result decreased to €- 11 million (2023 €- 2 million) mainly due to one offs such as additional investments and implementing improvements to the proposition in order to position for further commercial growth in the coming years. This includes improvements to portals and investment propositions.

Assets under management increased by € 0.7 billion to € 4.5 billion at the end of 2024 (year-end 2023: € 3.8 billion) due to premiums received and a positive investment return.

B. SYSTEM OF GOVERNANCE

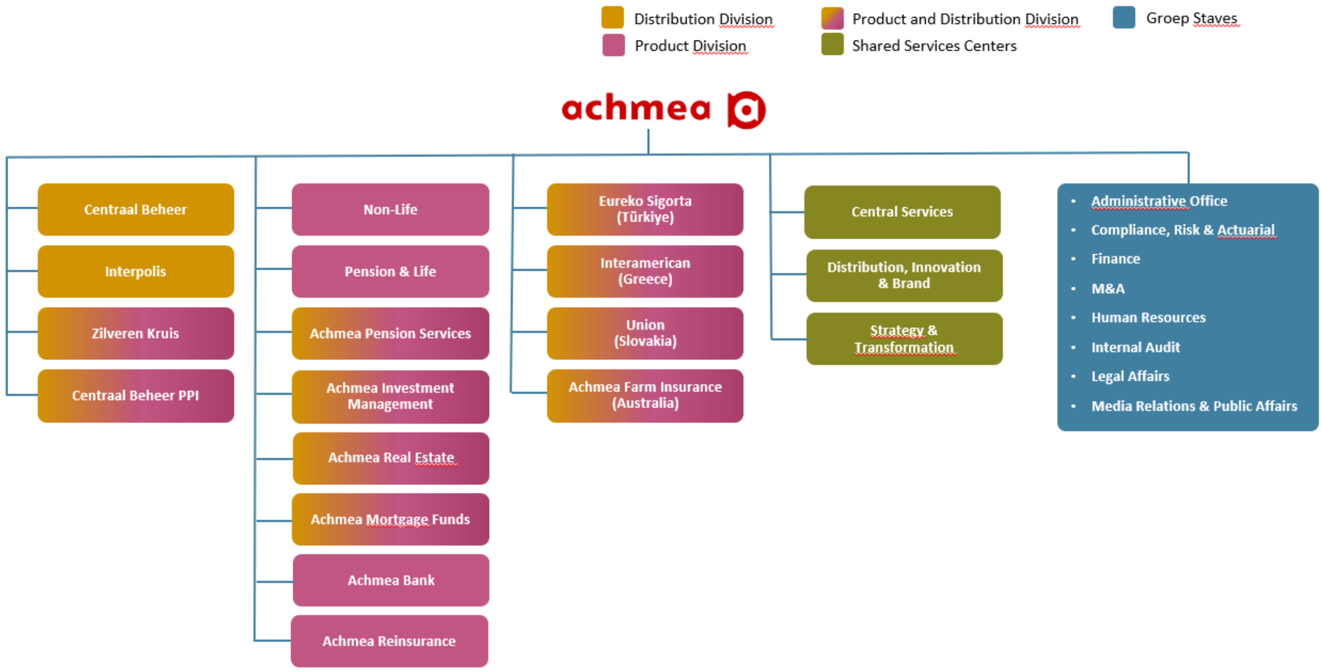
B.1. GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

Organisational structure

Achmea has an organisational set-up with a divisional structure. This operational organisational model contains distribution divisions, product divisions, shared services centres, policy-making departments and other business units that all report to the Executive Board of Achmea.

All activities of the distribution divisions, product divisions, shared services centres, policy-making departments and other business units are carried out at the risk and expense of a legal entity. Critical and important functions/activities are being carried out on the basis of a cooperation agreement or an outsourcing agreement.

The figure below represents Achmea's general organisational model as per 31 December 2024. The figure shows which distribution divisions, product divisions, policy-making departments, shared services centres and other business units are recognised in the organisational model.



Management within Achmea

The Executive Board of Achmea is responsible for the group management of Achmea on the basis of the operational model. The regulated companies within the Achmea group have separate statutory boards.

In 2024, there have been no changes in the composition of the Executive Board. On 9 September 2024, Mr. Antonio Cano was appointed as member of the Supervisory Board for a period of four years.

If there is an indication of a possible conflict of interest or position between group companies and business units, the Executive Board of Achmea will facilitate a process that should lead to decision-making based on consensus between all the parties involved (including the Executive Board of Achmea). If this proves impossible, the Executive Board of Achmea has the decisive vote.

At strategic level there are supplementary management bodies, that support decision making by the executive board or the Statutory Boards of the group companies:

- Group Committee (GC): The objective of the Group Committee is to increase Achmea’s group strengths, to supervise the programmes and issues with significant strategic or financial impact that exceed the level of division or group company and to achieve coordinated management.
- Group Risk Committee (GRC): The Group Risk Committee is an executive and advisory committee within the policy framework as set forth by the Executive Board of Achmea, consisting of the policy makers of Achmea. The objective of the GRC is to manage and advise on the policy frameworks and risk management system including internal control and the identification, review and monitoring of the main risks.
- Asset Liability Committee (ALCO): The Asset Liability Committee is an executive and advisory committee, consisting of the policy makers of Achmea. The ALCO focuses on Market Risk (including interest rate- and currency hedging), Counterparty Risk (including collateral management and concentration risk) and Liquidity Risk. The objective of the Asset Liability Committee is to monitor the aforesaid risks as well as to optimize the capital- and liquidity position and investments of Achmea, within the policy framework as set forth by the GRC and the Executive Board of Achmea.
- Management team Distribution & Innovation (Directieteam Distributie & Innovatie) is a composed team of an Executive Board member, the chair of Interpolis, the chair of Centraal Beheer, the commerce director of Zilveren Kruis, the chair of Distribution, Innovation and Brand, the financial director of the distribution division and the IT director of the distribution divisions. The objective of this management team is to fully exploit the strengths of several Achmea brands with a joint distribution strategy, to be able to provide services that meet the evolving needs of Achmea’s customers. Furthermore, this team stimulates the development of new propositions across divisions.
- Management team Finance (DT Financiën): The Management team Finance is the platform of financial policy makers within Achmea. The Management team Finance focuses on the execution of the financial strategy of the Achmea and its group companies as set forth by the Achmea Executive Board.
- The Projects Committee (PC) is a composed team of an Executive Board member, the chairs of the Health-, Non-Life, Life divisions, the director of Strategy and Transformation (including Achmea IT), the director of Distribution, Innovation and Brand, the director Group Finance and the director Compliance. The Project Committee monitors the Achmea IT project budget and the effective implementation of the project portfolio within the framework for the Achmea IT project budget.

A more detailed outline of the management within Achmea and the responsibilities under the articles of Association is described in the Main Outlines of the Organisation and Management of Achmea.

Achmea Remuneration

The members of the Executive Board are the (former) directors of Achmea B.V. who hold key positions at Group level.

The remuneration of the Executive Board is in line with the responsibility of their positions. The different positions are weighted, taking into account aspects such as size and nature of the responsibilities, complexity of the managerial context in which one acts and the required knowledge, experience and competences.

For more detailed information, a reference is made to the Achmea Year Report 2024 [12].

Transactions with shareholders

With regard to the result for 2023, the general meeting decided, at its meeting on 9 April 2024, to pay out a dividend of € 267 million. Of the total amount of € 267 million in dividends, € 203 million was paid out in the form of stock dividend and € 64 million in cash. This dividend payment is based on a market-based dividend yield of 7% calculated on Achmea's valuation based on the Achmea Valuation Principles as defined in the All Shareholders Agreement. The shares paid out as stock dividend are shares issued by Achmea B.V. had been purchased (own shares). The stock dividend amounting to € 238 million has been charged to the treasury shares (based on the average price of purchased shares). The remaining amount of € 35 million (negative) is charged to the other reserve.

B.2. FIT AND PROPER REQUIREMENTS

Statutes on supervision, such as the Dutch Financial Supervision Act (see ss. 3:8/3:9 and 4:9/4:10) and the Dutch Pension Act, require Supervised Companies to do the following before an appointment may actually be effectuated:

[12] Achmea Year Report 2024 – Financial Statements, note 33 Related Parties Transactions, paragraph Remuneration of the Executive Board

- Intended appointments of day-to-day policymakers, co-policymakers and members of supervisory bodies must be notified to the supervisory authorities the DNB and/or the Autoriteit Financiële Markten ('AFM') (depending on which authority supervises the company).
- The supervisory authorities DNB and/or AFM must ascertain the dependence of the day-to-day policymakers, co-policymakers and members of supervisory bodies.
- The supervisory authorities DNB and/or AFM must ascertain the suitability of day-to-day policymakers, co-policymakers and members of supervisory bodies.
- The supervisory authorities DNB and/or AFM must ascertain the dependence of key officers (those with ultimate responsibility for key functions) and the institution itself must ascertain their suitability.

Achmea complies with the abovementioned requirements by notifying the supervisory authorities and by effectuating appointments after receiving the approval of the supervisory authorities.

Supervised Companies outside the Netherland are required by local law to follow similar rules and regulations regarding fit and proper requirements and procedures before appointing day-to-day policymakers, co-policymakers and members of supervisory bodies. Where applicable, these Supervised Companies comply with these specific local law requirements.

In 2024, permanent education courses have been organised on the following subjects:
- ESG and legal context.
- Outside perspective International and Competition (Compliance).
- Digital Operation Resilience Act (DORA) and Cybersecurity.
- Update Privacy and Integrity regulations Achmea.
- Health and Developments employment market and insights recruitment & selection.
- Prospect law and regulations and ESG re investments.
- Sustainability and underwriting policy re Non-Life.

B.3. RISK MANAGEMENT SYSTEM INCLUDING THE OWN RISK AND SOLVENCY ASSESMENT

The Integrated Governance, Risk and Compliance system (IGRC) describes the design and implementation of Achmea's risk management and internal control system. The Governance, Risk and Compliance components can be seen as separate components but are only truly effective when developed and applied in conjunction. This section explains this system using the risk strategy, the Three Lines model and an explanation of the IGRC framework.

Achmea's mission, vision and strategy as laid down in the Purpose are translated into a mission and generic principles that are used to implement the risk strategy. Our mission is for Achmea to ensure efficient and integrated risk management and optimisation of the Risk Profile for sustainable value creation. In addition, the following ten principles form the basis for the elaboration and design of the IGRC with respect to the governance, design and implementation of the control measures and Achmea's risk appetite.

1	Achmea conducts its business in a socially responsible manner and endeavours to provide demonstrable sustainable added value. Moreover, Achmea responds adequately to social developments and thus maintains its relevance.
2	Achmea offers secure and transparent solutions to customers that consistently match customer interests, including fair pricing.
3	Risks are identified periodically, and when material changes occur, they are assessed, and control measures are implemented as necessary.
4	Achmea aims to achieve the optimal balance between risk and return and long-term and short-term objectives. Decision-making is clear, explicit and in line with strategic objectives and risk appetite. The remuneration policy discourages taking undesirable and irresponsible risks aimed at short-term results and personal gain.
5	Achmea is aware of all current laws and regulations. Laws and regulations are not only assessed along the legal bar of laws and regulations, but also along that of supra-legal social views and justified customer expectations.
6	Achmea stimulates an open corporate culture in which risks can be discussed and employees feel responsible for sharing knowledge about risks and in which proactive risk management is valued. Exemplary behaviour, open discussion of dilemmas, feasibility of policy and transparency are inextricably linked to the open corporate culture.
7	All Achmea employees should work towards an organisation with integrity in which people work, with integrity, for customers with integrity and collaboration partners with integrity. Achmea takes a broad view of integrity. Achmea is aware that compromising its integrity can also pose a risk to the integrity and good name of the financial sector as a whole.
8	Achmea's governance structure is based on the Three Lines model. This structure ensures the independence of the key functions compliance, risk management and actuarial (second line) and Internal Audit (third line) from the line organisation.
9	Risk management is supported by a single unified risk management and internal control system that ensures consistency and coherence and contributes to: (1) consistent information for decision-making and monitoring, (2) a unified approach, and (3) structuring and prioritizing the activities of the business and key functions.
10	The risk management and internal control system makes optimal use of standardisation and digitisation of IT systems and processes of the business and key functions.

THREE LINES MODEL

As mentioned in the risk strategy, Achmea's governance structure is based on the Three Lines model, the main features of which are set out in the table below.

FIRST LINE	SECOND LINE	THIRD LINE
IMPLEMENTATION AND MANAGEMENT • Executive Board and risk committees at Group level • Business management and decentral risk committees within the business units	SUPPORT, MONITORING AND CONTROL • The Compliance, Risk Management and Actuarial departments operate at both group and business unit level. Some entities have their own compliance and risk management department due to different legal requirements, specific knowledge or efficiency.	ASSESSMENT AND REVIEW • The Internal Audit department operates at both group and business unit levels.

The Three Lines model is in place for all supervised entities. In this model, Achmea's line organisation is primarily responsible for the IGRC. The Executive Board and business management ensure adequate design and execution of the IGRC. The presence of a Chief Risk Officer on the Executive Board helps ensure a permanent focus on this in our business operations. The Executive Board is accountable to the Supervisory Board and the general meeting of shareholders of Achmea B.V. The first line is supported by the second line, which is responsible for maintaining the IGRC, supporting the execution and monitoring and reporting on implementation by the first line. The third line complements these activities by periodically reviewing and reporting om the effectiveness of the entire IGRC.

RISK COMMITTEES

Achmea has risk committees both at Group level and within the business units.

The Audit & Risk Committee (A&RC) assists the Supervisory Board in its supervision on, amongst other things, financial, administrative organisational and compliance matters, as well as on the Risk Profile and the effectiveness of the risk management system. The Supervisory Board of Achmea Schadeverzekeringen N.V. and the Supervisory Board of Achmea Pensioen- en Levensverzekeringen N.V. has its own Audit & Risk Committee. The Supervisory Board of Achmea Zorgverzekeringen N.V. (including the subsidiaries of the latter) does not have its own Audit & Risk Committee. The Supervisory Board requests the advice of the A&RC of Achmea B.V. on certain topics.

The Group Risk Committee (GRC) is a framework-setting and advisory committee of the Executive Board. It serves as a platform for Achmea policymakers and consists of members of the Executive Board, the management of some business units, and the compliance, risk management, and actuarial key function holders at group level for the management, monitoring, and advising regarding the IGRC.

MEMBERS GROUP RISK COMMITTEE

Achmea Executive Board	• Chief Risk Officer (CRO) (chair of the GRC) • Chief Financial Officer (CFO)
Business units	• Director Non-Life & Income • Director Life & Pensions • Director Zilveren Kruis • Director Achmea Bank • Director Achmea IT
Staff departments	• Director Compliance (compliance function holder at Group level) • Director Risk Management (risk management function holder at Group level) • Director Actuarial (actuarial function holder at Group level)

Directors of the business units who are not a member of the committee are invited periodically or for specific topics to join the committee meetings.

The GRC has instituted as subcommittees the Model Approval Committee (MAC), the Privacy Board and the Information Security Board. The MAC has a delegated responsibility for approving risk models.

The ALCO is an executive and advisory committee of the Executive Board. It is a platform for Achmea policymakers and consists of members of the Executive Board, the management of some business units and staff departments. The ALCO focuses on Market Risk (including interest rate- and currency hedging), Counterparty Risk (including collateral management and Concentration Risk) and Liquidity Risk. The objective of the Asset Liability Committee is to monitor the aforesaid risks as well as to optimize the capital- and liquidity position and investments of Achmea, within the policy frameworks set by the GRC and the Achmea Executive Board.

MEMBERS ASSET LIABILITY COMMITTEE

Achmea Executive Board	• Chief Financial Officer (CFO) (Chair of the ALCO) • Chief Risk Officer (CRO) • Member Achmea Executive Board
Business units	• Director Finance & Risk Life & Pensions • Director Achmea Reinsurance • Director Finance & Risk Achmea Bank • Director Achmea Investment Management
Staff departments	• Director Group Finance • Director Balance Sheet Management • Director Risk Management (risk management function holder at Group level) • Director Actuarial (actuarial function holder at Group level)

The director Finance & Risk of Non-Life & Income and the director Finance & IT of Zilveren Kruis have a standing invitation for the ALCO.

Aligned with the GRC at Group level, there are Risk Committees within the business units that discuss and manage risks, possibly complemented by specific committees such as the Product Approval and Review Processes (PARP) Committees, the Underwriting

Committee at Achmea Reinsurance Company N.V. (hereinafter Achmea Reinsurance) and the ALCO and the Credit Committee at Achmea Bank N.V.

RISK MANAGEMENT WITHIN OUR OTHER FINANCIAL SERVICE ENTITIES

The entities subject to CRD/IFR/IFD/IORP -legislation are managed in a similar manner as the insurance entities and are included in the IRMF. As Achmea is a Mixed Financial Holding Company and Financial Conglomerates, the various sectoral based legislation is applied at solo level and integrated at the Group Level.

Risk governance and risk management committee structure Achmea Bank

The Executive Board is responsible for defining and executing the Bank's strategy. An important element of the Bank's strategy is risk management for Liquidity Risk, Counterparty Risk, Credit Risk, Interest Rate Risk, Foreign Currency Risk, Operational Risk and Capital Management.

The Executive Board is responsible for setting up effective processes that enable the Bank to hold sufficient capital and liquidity with respect to its objectives and the regulatory capital and liquidity adequacy requirements. Within this scope, the Executive Board delegated specific tasks to different committees (F&RC, Credit Committee, ALCO and Technical Committee).

The Credit Committee, ALCO and the Technical Committee are sub-committees of the Group Risk Committee, which is the ultimate decision-making body for new and amended policies regarding financial risks. At least one of the Executive Board members has a seat in all of these committees.

The ALCO focuses on the management of Interest Rate Risk, Foreign Currency Risk, professional Counterparty Risk (retail Counterparty Risk is the focus of the Credit Committee), Liquidity Risk, Funding Risk and Capital Management. The ALCO bases its decisions partly on standard reports in which actual as well as forecasted figures with several (stress) scenarios are presented. In addition, the ALCO supervises compliance with the relevant regulatory guidelines, especially with regard to capital, funding, liquidity and Market Risk. The ALCO is chaired by the CFRO of Achmea Bank. Other members of the ALCO are representatives of Balance Sheet Management & Financial Risk, Control, (Group) Corporate Finance and (Group) Treasury.

KEY FUNCTIONS

In line with legal and regulatory requirements, the compliance function, risk management function, actuarial function, and internal audit function have been established at the group level and for the supervised entities.

- The central staff departments of Compliance, Risk Management, and Actuarial respectively fulfil the compliance function, risk management function, and actuarial function at the group level. These functions report to the Chief Risk Officer of the Executive Board.
- The internal audit function is carried out at the group level by the central staff department of Internal Audit. This function reports to the chair of the Executive Board.
- Fo For the supervised entities, these functions are organized as follows:
    - For the Dutch insurance entities, Zilveren Kruis Zorgkantoor N.V. and Centraal Beheer PPI N.V., the required compliance, risk management, actuarial, and internal audit functions are performed by the aforementioned central staff departments.
    - For Achmea Bank N.V., the required compliance and risk management functions are executed at the decentralized level, while the internal audit function is carried out by the central staff department of Internal Audit.
    - For the OTSOs Achmea Investment Management B.V., Achmea Mortgage Funds B.V., and Achmea Real Estate B.V., the required compliance and risk management functions are also executed by the aforementioned central staff departments.
    - The international insurance entities have their own compliance, risk management, actuarial, and internal audit functions, with a functional line to the central staff departments at the group level.

The functions of the entities as mentioned above report to the statutory boards of the entities.

The group key function holders of the second and third lines always have access to the chairs of the Executive Board, the Audit & Risk Committee (A&RC), and the Supervisory Board, respectively. Second line function holders from the entities can always reach out through the group key function holder or via the chair of the statutory board of the respective entity, and then to the supervisory board of the entity. Additionally, key function holders may contact external supervisors and report to them if they deem it necessary.

The key functions compliance, Internal Audit and actuarial are described in more detail in respectively section B.4. Internal Control System, section B.5. Internal Audit function and section B.6. Actuarial function.

RISK MANAGEMENT FUNCTION

For the risk management function for the insurance activities a distinction is made between the Group and the Dutch and foreign insurance entities:

- The risk management function at Group level and for the Dutch insurance entities is carried out by the Risk Management department at Group level. For Achmea Reinsurance Company N.V. there is no complete outsourcing of the risk management function, and further agreements regarding the division of work have been made in the Service Level Agreement.
  - The director Risk Management is the risk management function holder at Group level. The risk management function holder reports to the Chief Risk Officer in the Achmea Executive Board but also has direct access to the business, the entire Achmea Executive Board, the A&RC and the Supervisory Board, as well as a formal escalation line to the chairs of the Executive Board, the A&RC, the Supervisory Board as well as regulators.
  - Senior managers of the Risk Management department are the risk management function holders for the Dutch supervised entities with the exception of Achmea Zorgverzekeringen N.V. for which the director Risk Management is also the risk management function holder. They report to the chairs of the Statutory Boards but also have direct access to the business, the entire management, as well as a formal escalation line to the chairs of the Statutory Boards, the A&RC, the Supervisory Boards as well as regulators.
- For the foreign insurance entities within the EEA the Risk Management Function is implemented locally. The risk management function holder for the insurance entity /operating company has direct access to the business, the Achmea Executive Board, the Audit & Risk Committee and the Supervisory Board of the insurance entity. Eureko Sigorta A.S., as a non-EEA insurance entity, does not require a risk management function holder.

The Risk Management Function is defined in the Charter Compliance, Risk Management & Actuarial of Achmea. The Risk Management Function has the following main tasks:

1. Managing and advising on the risk strategy and risk appetite statements.
2. Responsible for the management and communication of the risk management system as secured in Achmea's Integrated Governance, Risk and Compliance (IGRC) system. Part of this is the management and advice of the IGRC, policy documents in the field of risk management and supporting documents such as guidelines on risk management.
3. Design, implementation, documentation, evaluation and communication of the performance and validation of a (partial) internal model.
4. Primary support in the implementation of the IGRC management cycle consisting of identifying and assessing risks, identifying and implementing risk control measures and monitoring and reporting the risks in the business units, including (where applicable):
   a. Own Solvency & Risk Assessment for the insurance entities.
   b. Own Risk Assessment (ERB) for the Centraal Beheer PPI N.V.
   c. Internal Capital Adequacy assessment and Internal Risk Assessment Process (ICARAP) reporting for the banking and investment entities.
5. Responsible for identifying and assessing emerging risks and sustainability risks.
6. From the second-line responsibility, monitoring and reporting on:

a. The overall Risk Profile.
b. The implementation of the IGRC.
c. Developments in risk management and in the field.

7. Conducting a solicited and unsolicited review/expert assessment of important decisions and developments regarding risk management issues, including strategic matters such as business strategy, mergers and acquisitions and important projects and investments.
8. Increasing risk awareness within the organization.
9. Anticipating developments in the field, best practices and (inter)national laws and regulations in the field of risk management.

FRAMEWORK

The development, management and change of models with respect to, amongst other things, risk measurement, financial and business management calculations are subject to strict model governance which ensures that the models are managed properly. The Risk Profile of models is assessed, and it is compulsory for models with a high/very high gross risk to be periodically validated by the independent model validation function of the Risk Management department and approved by the MAC. Part of the management is that model changes are implemented and approved in accordance with a controlled change procedure.

In addition to approval in the MAC the PIM for Solvency II is approved by the Executive Board, the boards of the entities that use the model, the A&RC and the Supervisory Board. After the internal governance is completed newly developed models are submitted for approval to the external College of Supervisors. Following approval by the MAC, major model changes are submitted to the external College of Supervisors for approval and are only used for determining Achmea's capital position after approval. A similar procedure applies to Achmea Bank's internal model, but the model is not yet used to determine the capital position. Through regular monitoring and reporting, the Risk Profile is reassessed based on the most important developments in the internal and external environment, with the frequency depending on the type of risk. A similar procedure applies to Achmea Bank's internal model, although the model is not yet used to determine the capital position.

Under the 'Recovery and Resolution of Insurers' Act, Achmea has a Recovery Plan – the Preparatory Crisis Plan (VCP) – for both the Group and the Dutch insurance entities, with the aim of being prepared for crisis situations. Additionally, specific recovery plans are drafted for the asset management entities, Achmea Bank N.V. and Centraal Beheer PPI N.V.

RISK APPETITE

The risk appetite describes the maximum level of risk that Achmea is willing to accept in realising its strategy and business and other objectives. risk appetite consists of a qualitative statement, Key Risk Indicators (KRI) and associated limits and is determined from the strategy, risk strategy and annual objectives. Below is an overview of the qualitative statements and their translation into KRIs. The sections that follow further explain the management of the risk appetite components.

Financial	Principles	KRIs
Returns, result and volatility of result	• A result is achieved that is sufficient to meet its interest obligations and the company realises a fixed charge coverage ratio that supports the desired credit rating level.	• Fixed Charge Coverage Ratio
Capital	• The Capital Position matches the required capital according to the Risk Profile. The capital position covers at least the capital requirements of the Regulator plus a capital buffer above the solvency capital requirement. • We aim for a capital level that supports the credit desired rating. • We also take the economic solvency into account in our management of the business. • We strive for adequate financing ratios to support the credit rating and to maintain capital flexibility.	• Solvency ratio Solvency II • Capital surplus S&P • Capital Surplus Fitch • Economic solvency Achmea Pensioen- en Levensverzekeringen N.V. • Debt ratio • Double leverage ratio
Liquidity	• We maintain sufficient liquidity to be able to meet our current and future liquidity obligations.	• Available liquidity in a going concern situation • Liquidity capacity after a stress situation
Financial Risk Policy	• An adequate Market Risk policy is pursued whereby an annual Market Risk budget is approved that matches to the return and Risk Profile taking into account the capital and liquidity position. • An adequate counterparty policy (including collateral management) is pursued to prevent undesired concentrations in the Counterparty Risk. • Natural catastrophe risks (Nat. Cat) are assessed for all insurance portfolios based on catastrophe models. An adequate reinsurance policy is implemented to mitigate the gross catastrophe risk and reduce it to an acceptable net risk. The upper limit of the coverage is set at a return period of 200 years or longer. The top of the cover is set at a return period of 200 years or longer. The own retention will be determined by the maximum accepted deviation of the expected annual result as a result of one or more catastrophic events.	• Market Risk budget variance • Impact interest rate shock Solvency II • Impact interest rate shock Economic solvency Achmea Pensioen- en Levensverzekeringen N.V • Counterparty limit breaches • Deviation from expected annual result due to catastrophic events

Non-Financial	Principles	KRIs
Product quality and services	• We are customer-centred and, based on our cooperative background, use cooperation and result focus to be of service to the customer.	• Customer Centricity Score
Operational Risk / internal control	• An adequate Operational Risk Policy is pursued to avoid significant financial losses, incidents, issues and reputation damage due to operational, compliance, cyber and integrity risks. Achmea ensures that detected incidents and issues will be solved within the specified time period and that actions are taken to avoid repetition of failure.	• Achmea Control Framework (CFW) • Reputation score • Financial loss due to Operational Risks • Very urgent issues • Disruption of business-critical chains
Compliance	• We act in accordance with laws and regulations. Detected violations by Achmea, employees and third parties will be corrected in accordance with the incident management policy. • We implement new or amended laws and regulations on time. Detected violations by Achmea, employees and third parties will be corrected in accordance with the incident management policy. • Achmea employees, third parties, suppliers and customers act with integrity. Employees and external temporary employees act in accordance with the General Code of Conduct of Achmea. Achmea uses a zero-tolerance policy in case of penalising integrity violations. Risk Management aims at avoiding significant integrity violations regarding money laundering, terrorist financing, avoiding sanctions, corruption, conflict of interest, tax fraud, internal fraud, external fraud, market manipulation, cybercrime and socially unacceptable behaviour. Detected integrity violations will be corrected according to the Incident Policy.	• Violations of laws and regulations • Implementation of laws and regulations • Integrity violations
Sustainability	• Achmea pursues an ESG policy aimed at preventing and mitigating material negative (financial and non-financial) impact on the environmental I, social (S) and governance (G) aspects related to our activities for its stakeholders.	• MSCI ESG rating • Sustainalytics ESG rating

OWN RISK & SOLVENCY ASSESSMENT (ORSA)

Based on the implemented management cycle, the ORSA report is prepared annually for the insurance activities. The ORSA determines the extent to which the current and future capital and liquidity positions are considered adequate under normal and more extreme conditions. The ORSA also assesses the appropriateness of the applied SCR model. If an event (internal or external) occurs with a potential significant impact on solvency (prudential and/or economic) and/or liquidity, i.e. where the limits of the risk appetite are (or are threatened to be) breached, Achmea performs an extra ('non-regular') ORSA. At Achmea, the process is primarily managed based on these underlying strategy, capital and risk management processes.

The ORSA provides insight into the joint risk and capital processes and adds substance through further assessment by performing scenario and stress tests. As a process, the ORSA primarily relies on regular core processes such as:

- Compliance, Risk Management & Actuarial (CRA) charter and group policy documents ensuring an effective risk framework, including an annual update of the risk appetite).
- Strategic Risk Assessment (the identification of the key risks involved and any measures or additional measures to be taken).
- Risk Management & Compliance Reports (monitoring of risk appetite, developments (measures)), key risks and changes in the Risk Profile broken down by risk type, progress on CRA actions/recommendations).
- Regular Solvency II runs (developments in, and monitoring of, the quantitative Risk Profile).
- Rolling Forecast including the Capital and Liquidity Planning (developments in future capital and liquidity adequacy in the base case and for the scenario and stress tests).
- The CRD entities are an integral part of the ORSA; the ICARAP reports of these entities are key inputs for the ORSA analyses.
- Preparatory Crisis Plan, including near-default scenarios and deployment of measures.

The ORSA report is commissioned by and under the supervision of the Executive Board. The latter has delegated the responsibility for the coordination and implementation to the Risk Management department. Risk Management is responsible for the coordination of planning, implementation support and monitoring of the progress of the sub-activities of the ORSA process, the review of the underlying sub-activities of the ORSA process (in cooperation with Actuarial and others) and the drafting of the ORSA report and key message capturing the main outcomes of the sub-activities. Risk Management works with several business units and staff departments in producing the full ORSA report. The OTSO management boards are also involved in this process. The Executive Summary of the ORSA report has been extensively discussed and assessed in the GRC, Executive Board and the A&RC.

The main outcomes from these scenario and stress tests are that Achmea Group's solvency position can withstand all the singular and combined shocks in 2024 without immediately falling short of the target level of 165%.

Long term climate change scenarios

- Long-term climate change scenarios are included in the ORSA for the climate-sensitive Non-Life and Investments portfolios. These scenarios are still in early development and carry a high level of uncertainty.
- For Non-Life, indicative calculations for Windstorm and Hail have been further developed, alongside other initiatives to assess the impacts of specific natural catastrophe perils. Hail being particularly relevant for the Greenhouse portfolio.
- For Investments Portfolios, a Climate Value at Risk model is utilized for our shares and credit portfolio to estimate indicative financial losses for several temperature scenarios. Currently, these losses do not appear material for Achmea based model's assumptions, with future CO_2-pricing being a significant influencing factor.

There were no developments in 2024 that required further analysis by means of a non-regular ORSA.

B.4. INTERNAL CONTROL SYSTEM

INTERNAL CONTROL FRAMEWORK

For identified risks and control measures an Internal Control Framework is used, which is based on the COSO model and common market standards and uses key risks and key controls. Annually, after the risk analyses are performed, the key risks and key controls of the framework are updated. Subsequently the framework is used to systematically monitor the effectiveness of control measures throughout the organisation. Cross-references are included in the framework to information security of DNB and Solvency II. In addition, an organisation-wide systematic issue and incident management process has been set up.

On a quarterly basis the key controls included in the framework are tested by business management (first line) and monitored by the risk management and compliance function. The main findings are reported on in the quarterly Risk & Compliance reporting process.

COMPLIANCE FUNCTION

Compliance risk is the risk of reputational damage or current or future threats to the capital or results of an organization as a result of insufficient compliance with legal requirements, as well as insufficient adherence to values, norms, and supervisory rules. Non-compliance may result in legal or regulatory sanctions, substantial financial losses, or reputational damage. The Compliance Policy describes how compliance risk is managed. Additional policies and regulations are available covering specific compliance topics such as Customer Due Diligence (CDD), Privacy, Competition, Digital Operational Resilience Act (DORA), Whistleblower regulations, and Insider regulations.

As described in section B.3. the compliance function is part of the second line in our Three Lines system.

Risk Profile

Key compliance risks include risks related to Duty of Care, Product Development, CDD, Privacy (compliance with the General Data Protection Regulation), Outsourcing, Cybersecurity, Integrity, Fraud Management, and Competition. In delivering our services, it is important that the primary focus is on the interests of the customer, with attention paid to providing clear and timely product information to customers and to opportunities for improving the suitability of the sold product and the distribution process.

Risk Response

The Achmea Laws & Regulation Committee identifies new legislation and forthcoming amendments and determines the impact on the organization. Management is responsible for demonstrably correct and complete implementation. In the case of profound impact on Achmea, the committee will advise the Executive Board to initiate an implementation project. Current examples include the New Pension Act, Financial Data Access regulation (FIDA - Open Finance), Artificial Intelligence Act, European Accessibility Act, CSRD, and DORA. In the implementation project groups, Compliance and Risk Management participate alongside management and the line organization. Periodic reports are made to the Executive Board on the progress of implementation, risks, and corrective measures regarding these types of projects. Achmea ensures detection of developments in laws and regulations through a specific module in the CFW and monitors proper and timely implementation.

Regulatory investigations have a major impact on business activities. These investigations arise not only from local regulations but also from international legislation such as EU legislation on Duty of Care, Outsourcing, Cyber, AI, CDD, and Sustainability. The contribution made to supervisory investigations requires a lot of effort and is coordinated by the Supervisory Committee.

Risk analyses are performed annually to identify risks within Achmea. Important risk analyses performed by Compliance are the Gross Net Risk Analysis (BNRA) and the annual Systematic Integrity Risk Analysis (SIRA). Risk analyses are also conducted at various levels and on various topics throughout the year. With regard to compliance with laws, regulations, and internal rules of conduct, the most important legal provisions are translated into risks.

For the internal control of the identified risks, the Control Framework (CFW) uses issue and incident management to continuously learn and improve. The effectiveness of controls, issues, and incidents are reported in relation to the risk appetite on a quarterly basis.

Compliance is closely involved in monitoring compliance with the Money Laundering and Terrorist Financing (Prevention) Act (Wwft), the Sanctions Act 1977, privacy dilemmas, and compliance with the General Data Protection Regulation (GDPR), including big data initiatives and ethical issues associated with artificial intelligence. Issues that concern all of Achmea are discussed periodically in the Ethics Committee, involving the CRO, the Compliance director, HR, employees from the various divisions, and an external specialist. In 2024, the committee devoted time and attention to topics submitted by Achmea employees, both within the ethics committee and beyond. This includes advice on a study regarding inclusion, diversity, and equality within Achmea. Another topic discussed was the duty of care for the group of sovereigns and autonomous individuals. Additionally, ethical dilemmas in the application of AI were addressed. The committee also organized a workshop on how to deal with ethical dilemmas in the workplace. The integrity risk as part of compliance risk is outlined in the Achmea Code of Conduct and the Integrity & Fraud Policy. This code of conduct states the core values, core qualities, and rules of conduct of Achmea, and applies to all Achmea employees. The Integrity & Fraud Policy contains the principles highlighting the integrity risks in operational management, such as anti-corruption, gifts, side-line activities, contracting third parties, and execution of the SIRA. In 2024, the SIRA was also executed for each supervised entity, with input from staff departments. Ongoing attention is paid to integrity risks by assessing the effectiveness of fraud control measures on a quarterly basis using the CFW.

CDD, Duty of Care, Cyber, AI and DORA were the main focus areas for the compliance function within Achmea for 2024. Short-cycle monitoring is used to monitor compliance with laws and regulations. Where appropriate, proactive coordination is sought with supervisory authorities. Any compliance issues identified by this monitoring are addressed by the responsible management, ensuring handling within the established frameworks for the defined compliance and integrity risk appetite. Additionally, for CDD and DORA, further governance has been established in the form of a Task Force with members from the Executive Board and chairs of divisional directors. In this Task Force, the approach to cross-divisional issues or issues with IT dependencies is coordinated to achieve additional progress.

Evaluation of the compliance function

In 2024, the functioning of the key compliance function for the Dutch insurance entities was assessed on-site with DNB, focusing on Achmea's Dutch insurance entities. The results were received and discussed with DNB. The supervisor noted that Achmea has set up and executes the key compliance function in a professional manner.

Compliance assessments and monitoring

Achmea uses short-cycle monitoring to ensure compliance with laws and regulations, and instances of non-compliance may occur. The monitoring revealed areas of concern in the areas of CDD, Privacy, Cybersecurity, Duty of Care, and Outsourcing.

Customer Due Diligence (CDD)

CDD remains a top priority within Achmea. The focus in 2024 was on further improving controls. This involves continuous learning from developments in the business units, second- and third-line monitoring and audits, outcomes of on-site investigations by supervisors in the business units, fines imposed on other companies, and reports from regulators or court rulings. In addition to control from the supervised business units, there is also additional control from the central CDD Task Force.

Similar to 2023, progress is monitored based on defined outstanding actions from 2024 with realistic deadlines. Throughout 2024, efforts were directed towards the integration of CDD processes into the Know Your Customer (KYC) Centre, which was established in July 2023. All operational CDD activities are being centralized here, with the aim of making operations more uniform in the future and pooling and increasing expertise within Achmea. By 2024, nearly all CDD processes will be incorporated into the KYC Centre. The execution of CDD processes is supported by a generic CDD IT platform, which will be further developed throughout 2025. During 2024, the focus will be primarily on implementing support for transaction monitoring. In 2025, the priority will shift to screening during both onboarding and ongoing processes, as well as maintaining CDD files.

Throughout 2024, continuous attention was paid to compliance with frequently changing sanctions as a result of Russia's invasion of Ukraine, and mandatory reporting on these sanctions to regulators and the Ministry of Finance was fulfilled. In connection with Russian sanctions, three relationships were reported to the regulator: equity positions in sanctioned Russian issuers. Achmea has a total of 16 sanctioned relationships in its portfolios that have been reported to the relevant regulators.

The AFM conducted two investigations at the former SAREF regarding the Wwft and the Sanctions Act. The first investigation focuses on reports of unusual transactions made by SAREF to the Financial Intelligence Unit (FIU) over the period 2018-2022. The AFM informed SAREF in June 2024 that, based on the findings from this investigation, it intends to initiate a penalty process, as in some cases reports were not made in a timely manner or insufficient investigation was conducted. SAREF submitted its oral opinion in mid-October 2024 and is awaiting the definitive decision from the AFM. In January 2025, the AFM communicated that it has decided to partially refrain from imposing fines. The part related to the alleged violations of the Wwft, in the capacity of an investment firm, is thus dismissed. The AFM has not yet made a decision regarding the part in the capacity of manager of investment institutions. The outcome will be announced by the AFM once all related procedural steps have been completed. Based on recent discussions with the AFM, we expect a potential fine, with the maximum amount estimated at € 2 million. Given the size of the potential fine, no material effect on the balance sheet position and the results of Achmea B.V. is expected. Therefore, the anticipated impact is not reflected in the 2024 financial statements of Achmea B.V.

The second investigation broadly concerns compliance with the Wwft and the Sanctions Act. The AFM informed SAREF in September 2024 that it is not currently imposing any formal measures but is issuing an informal warning. Furthermore, the AFM expects SAREF to ensure remediation on several points. To this end, Achmea Real Estate B.V. and Achmea Mortgage Funds B.V. (formerly: SAREF) has prepared a plan of action and submitted it to the AFM at the end of November. Both entities have started following up on the improvement measures as per the action plan.

Privacy
Achmea attaches great importance to compliance in the area of Privacy. Throughout the organization, improvements regarding compliance with the General Data Protection Regulation (GDPR)/Privacy legislation are continuously identified. Internal controls have been further improved in certain areas during 2024. One of the improvement projects focuses on 'Unstructured Data,' where a core team is actively working to implement digital solutions for data retention in unstructured environments. The improvements will continue into 2025. The majority of reported data breaches involved incidents with a limited number of affected individuals. Mitigating measures have been taken to prevent such incidents in the future.

Cyber security
Geopolitical and technological developments have resulted in an unchanged high cybersecurity risk in 2024. The threat of attacks by 'nation-state actors' and 'non-state actors' remains structurally high. The Executive Board continues to regard the further development of cyber resilience as a strategic priority. This is why Achmea invested last year in simulating advanced cyberattacks and in measures to further increase resilience against (ransomware) attacks. In 2024, Achmea underwent an Advanced Red Team test conducted by an external partner to assess its resilience. There were no major incidents in 2024.

The implementation of DORA legislation has led to several further enhancements in cyber resilience and a higher degree of demonstrability in risk management in 2024. These enhancements include not only an update of policies and processes but also the establishment of extensive technical measures. Driven by the DORA implementation, further steps have been taken in the area of third-party risk over the past year. Agreements with critical suppliers regarding cyber resilience have been tightened, and contracts have been aligned with DORA requirements.

So far, geopolitical and technological developments do not indicate a reduction in cybersecurity risk, meaning this risk remains high on the management agenda in 2025.

Duty of care
As a broad financial services provider, the Duty of Care theme applies to all Achmea business units. This includes careful treatment of customers throughout the entire duration of products and services. Achmea sees it as its duty to inform customers as adequately as possible to ensure they make the right choices. Additionally, Achmea's Guiding Principles provide annual fulfilment of the statutory duty of care, responding to widely held societal viewpoints. The implementation of the settlement agreement for investment insurance concluded in 2024 is proceeding as planned.

In response to rulings from the KiFid (Financial Services Complaints Tribunal) regarding the appropriate communication of changes in policy conditions, adjustments were made in 2023 to the communication processes within the Non-Life and Income division. Follow-up on this will continue into 2025.

Outsourcing
Achmea has developed its outsourcing policy in accordance with the requirements of applicable laws and regulations, including EBA, EIOPA, and ESMA. Outsourcing contracts are recorded in a central contract administration managed by Procurement. Outsourcing is divided into the following four phases: 1. Analysis, 2. Initiation, 3. Management, and 4. Evaluation. For each phase, checklists, standard documents, and templates are used to enable uniform documentation. These documents are prepared by Legal, Procurement, Supplier & Contract Management, and Compliance. Examples include standard contracts, general purchasing conditions, a decision tree for the qualification of outsourcing, processing agreements, security agreements, risk assessment of service providers, and assessment assurance statements. The management of outsourcing risk is monitored within the Achmea Control Framework (CFW).

DORA legislation is effective as of January 17, 2025; from this date, policies, processes, control measures, and reports have been adapted to DORA and rolled out within Achmea. The implementation, which started at the end of 2023, is now largely completed. Currently, not all Regulatory Technical Standards (RTS) have been definitively approved by the European Commission, which means that the implementation will continue into 2025. This particularly concerns the pillar 'Third Party Risk'. Discussions with suppliers regarding the necessary adjustments to contracts and associated accountabilities are ongoing and will continue into 2025.

Over the past year, there have been no significant instances of non-compliance with laws and regulations.

B.5. INTERNAL AUDIT FUNCTION

The Internal Audit function of Achmea B.V. including subsidiaries is fulfilled by Achmea Internal Audit. The scope of the Internal Audit function covers all entities and processes of Achmea B.V. including outsourced activities. Internal Audit has a functional line with the foreign Internal Audit functions except for Achmea Australia.

To fulfil this task Internal Audit systematically evaluates the processes related to governance, risk management and internal control, and thereby has a pro-active signalling role regarding the risks. In this way Internal Audit contributes to the improvement of the business operations and the achievement of the strategic and other objectives of Achmea.

The rights and obligations between Achmea Internal Audit and Achmea B.V. are derived from the principles of Achmea's Internal Audit Charter. In this charter Internal Audit's mission, function, independence, objectivity, and expertise, as well as the scope, authorities and responsibilities are defined. The charter also defines the applicable behaviour and professional conduct rules and the relationship with external parties, as well as the current International Standards for the Professional Practice of Internal Auditing and the requirements set by the external regulators for the Internal Audit function. The charter is reviewed annually and updated if necessary.

The assessment by Internal Audit focuses, against the background of the Risk Profile of Achmea, on the following:
- The defined risk appetite and the determination hereof.
- The design and effectiveness of the governance structure, including the effectiveness of risk management. Within the framework of evaluating the functioning of the governance structure, the functioning of the Executive Board of Achmea and senior management is evaluated. Here the example set by the directors (tone at the top) is explicitly being considered. Where it is possible and desirable, the functioning of the Supervisory Board can also form part of the evaluation of the governance structure.

- The internal control over critical business processes and projects, in particular management of the identified key risks associated with these processes and/or projects by making use of the defined key controls.
- Important management- and (external) accountability information to the Board of Directors and senior management, including supervisory reports, accountability for the effects of actions on people and the environment, the involvement of the stakeholders and the extent to which the defined corporate goals have been achieved.
- Compliance with (behavioural typical) laws and regulations, as well as decisions made by the Board of Directors, including the functioning of the second line and the Sanction Policy for non-compliance with laws and regulations.
- Safeguarding the assets of Achmea, including information security.

As described in section B.3. the Internal Audit function is the third line in the Three Lines Model. At Group Level, the staff department Internal Audit fulfils the Internal Audit function. The Internal Audit Director is the Internal Audit Function Holder at Group Level and reports to the chair of the Executive Board of Achmea, has a formal information-and escalation line to the chair of the Audit & Risk Committee and Supervisory Board and direct, unlimited access to all business units. For the Dutch supervised undertakings, the role of Internal Audit Function Holder is delegated to the responsible member of the Internal Audit management team. For the foreign supervised undertakings this role is executed locally.

Internal Audit is an independent department within Achmea. Its independence is guaranteed as Internal Audit does not form part of the (daily) internal control measures and safeguarding of assets/liabilities. Internal Audit is not responsible for the design and implementation of measures related to risk management, compliance and internal control. Senior management may request Internal Audit to give an opinion on the internal control measures which are implemented or should be complied with.

After discussion with the management concerned, Internal Audit reports on the outcome of its investigation directly to both the responsible management and/or the Executive Board of Achmea and its chair, depending on the circumstances. At least once a year Internal Audit reports by means of the Audit Memorandum on the internal control of high risks. On a quarterly basis Internal Audit provides an overview of the outcome of its investigations, including the most important findings noted in the recent period and the progress made with and adequacy of the implementation of the recommendations noted by Internal Audit, the external accountant and/or regulators.

B.6. ACTUARIAL FUNCTION

In line with Solvency II legislation the actuarial function has four main tasks:

1. Coordination and supervision of the calculation of the Technical Provisions, including the following specific tasks:
    - Ensuring the appropriateness of the methodologies and underlying models used and of the assumptions made in the calculation of Technical Provisions.
    - Assessing the sufficiency and quality of the data used in the calculation of Technical Provisions.
    - Comparing Best Estimates with actual outcomes.
    - Expressing an opinion on the reliability and adequacy of the calculation of the Technical Provision.
2. Expressing an opinion on the overall underwriting policy.
3. Expressing an opinion on the reinsurance policy and programme.
4. Contributing to the effective implementation of the risk management system, in particular with regard to calculation of the SCR, MCR and ORSA.

As part of this role, the actuarial function performs an assessment of the RSR and SFCR.

The actuarial function also provides an assessment and opinion on:

- The Economic Balance Sheet.
- The SCR and therefore the solvency position.
- All constituent parts of the SCR.
- The prospective solvency position, using business planning, stress tests and scenario tests.
- Distribution of dividends in relation to discretionary benefits.

The group actuarial function performs these tasks at the level of Achmea Group and has a specific responsibility to provide advice and an opinion on asset/liability aspects.

On an annual basis the Actuarial Function Holder Report is prepared both at Group Level and for the insurance entities. This report provides the opinions and conclusions of all assessments performed by the actuarial function in the year over the tasks mentioned above, the main findings and recommendations.

The actuarial function is defined in the Actuarial Function Policy of Achmea. This policy defines the scope, duties, responsibilities and position of the actuarial function based on Achmea's interpretation of Solvency II legislation and internal governance, described in the Charter Compliance, Risk Management & Actuarial of Achmea.

As described in section B.3. the actuarial function is a Solvency II key function and forms part of the second line in our Three Lines system:
- The staff department Actuarial at group Level covers the actuarial function for the group and for the insurance entities in the Netherlands. The Director for Actuarial is the Actuarial Function Holder (AFH) at Group Level and the senior managers are the AFHs for the insurance entities in the Netherlands.
- For Achmea International entities within the EEA, the actuarial function is implemented locally. Within Actuarial, a senior manager has the role of Single Point of Contact for the Operating Companies.
- The AFHs have a formal escalation line to the chairs of the Executive Board, Audit & Risk Committee and Supervisory Board of Achmea and the Achmea International entities respectively, based on the independent role of the actuarial function.

B.7. OUTSOURCING

As mentioned in section B.1, Achmea has outsourced several internal operations. The main reasons for outsourcing are efficiency, specialisation or quality considerations of long-term services. The requirements imposed on internal outsourcing are in line with those applicable to external outsourcing. In addition to that, group relations should be considered in order to take advantage of synergy-elements within the Achmea-group. Procurement is a centralised staff department and supports the contracting of most of the COI and Standard outsourcing contracts in association with Legal Affairs. Achmea has a central administration of the contracts in place within the Procurement department.

Achmea has an outsourcing policy that applies to all Dutch legal entities, international entities and majority interests of Achmea. A distinction is made between Critical or Important Outsourced functions or processes (COI), standard outsourcing or no outsourcing. The policy applies to internal and external outsourcing. In 2022 this policy was updated with minor impact for the business. In 2023 the Digital Operational Resilience Act (DORA) is implemented. This legislation will bring additional requirements regarding IT security including outsourcing to IT-service providers.

For all outsourcings to service providers within the Achmea outsourcing policy includes the following:
- Each Achmea process / activity which is intended to be outsourced has a contract owner, a contract manager and a contract service manager. In consultation with Legal Affairs and Compliance contracts are to be classified as: COI, Standard or Purchase.
- Depending on the classification, requirements are applicable to the outsourcing.
- An outsourcing goes through four phases: analysis, initiation, management and evaluation.
- In the analysis phase, a business case must be made, a risk assessment must be carried out and a service provider must be selected. In case of cloud/external hosting assessing extra risks is mandatory.
- During the initiation phase, contract partners must agree on the contract, a Service Level Agreement and, if applicable of a security- and privacy agreement. In addition, in some cases a separate business continuity plan and an exit plan are mandatory.
- In the management and evaluation phase the above-mentioned contract agreements are to be monitored and evaluated on a regular basis.

B.8. ANY OTHER INFORMATION

The System of Governance is assessed periodically and if necessary, adjustments are made. In particular, all policies of our risk management system are reviewed and adjusted if necessary, at least once per year, with a view to every substantial change in the external environment or in the field that it pertains to.

C. RISK PROFILE

Quantitative Risk Profile

The Solvency Capital Requirement provides a quantification of the Risk Profile. For calculating the capital required Achmea uses a combination of a PIM and the SF. The following table provides a summary per insurance legal entity.

PIM – SF

	MARKET RISK(*)	LIFE RISK	NON-LIFE RISK	HEATLH RISK	COUNTERPARTY DEFAULT RISK	OPERATIONAL RISK
Achmea B.V.	PIM	SF	PIM	PIM	SF	SF
Achmea Pensioen- en Levensverzekeringen N.V.	PIM	SF	n.a.	n.a.	SF	SF
Achmea Zorgverzekeringen N.V and subsidiaries	SF	n.a.	n.a.	SF	SF	SF
Achmea Reinsurance Company N.V.	PIM	SF	PIM	SF	SF	SF
Achmea Schadeverzekeringen N.V.(**)	PIM	n.a.	PIM	PIM	SF	SF
N.V. Hagelunie	PIM	n.a.	PIM	n.a.	SF	SF
Interamerican Hellenic Insurance Company S.A.*	SF	SF	PIM	SF	SF	SF
Interamerican Assistance General Insurance Company S.A.	SF	n.a.	SF	SF	SF	SF
Union Poist'ovna A.S.	SF	SF	SF	SF	SF	SF
Eureko Sigorta A.S.	SF	n.a.	SF	n.a.	SF	SF

* For Interamerican Hellenic Insurance Company S.A. Market Risk is still determined by the Standard Formula. Inflation Risk is assessed on a stand-alone basis whether the interest rate risk scenario has to be adjusted. If the assessment present a too significant deviation, a capital correction is added to the outcome of the Market Risk calculations.

** Within Achmea Schadeverzekeringen N.V. several insurance portfolios are classified in the Lines of Business Income Protection. This is also included in the Health NSLT section. For this Line of Business the Internal Model is used

The risk taxonomy as presented in the graph in chapter E.2.2 is used. Due to guidance of DNB on the treatment of CRD-entities within a Mixed Financial Holding Company (MFHC) the CRD-entities are included in the Solvency II consolidation for Achmea Group.

C.1. UNDERWRITING RISK

For a description of Underwriting Risk, including Life Risk, Non-Life Risk and Health Risk, we refer to the Achmea Year Report 2024, section E Insurance Risk.

C.2. MARKET RISK

For a description of Market Risk, including Interest Rate Risk, Equity Risk, Property Risk, Spread Risk and Currency Risk, we refer to the Achmea Year Report 2024, section F Market Risk.

C.2.1. PRUDENT PERSON PRINCIPLE

Achmea complies with the Prudent Person Principle as set out in the Solvency II regulation. Achmea has amongst others embedded the Prudent Person Principle in the 'engagement protocol' which is used by Achmea Investment Management B.V. when deciding on the appropriate investment opportunities within the by Achmea provided mandates.

In the Market Risk Policy, Achmea refers to the Prudent Person Principle. The Prudent Person Principle implies that any investment decision needs to be compliant with the risk appetite statements of Achmea, the Financial policies as used by Achmea. The characteristics of the investments are monitored by the Asset managers used by Achmea which are described in the mandates provided to them.

Prudent Person Principle and Sustainability

As of the 2nd of August 2022, sustainability is explicitly mentioned being part of the Prudent Person Principle and is also integrated into our policy documents and strategy:

- Sustainability is a core component of Achmea's strategy, including the investment strategy.
- Achmea's Investment Policy is aligned with the ten principles of the UN Global Compact, addressing Human Rights, Labour, Environment and Anti-corruption issues (Minimum Safeguards).
- Achmea applies the UN Principles for Responsible Investments (PRI) in its Investment Policy. An exclusion list is maintained for countries and counterparties that do not adhere to our socially responsible investing policy. This list is updated periodically and is published on our corporate website. This list includes investments in certain companies (shares & bonds) and also investments related to specific national governments. Exclusion criteria are based on the UN Global Compact principles, together with criteria related to manufacturing of controversial weapons, tobacco and fossil fuels.
- Achmea recognises the sustainability related risks to the value of the investments in its portfolio. Transition risks can lead to volatility in market values, especially as a consequence of sudden changes in government policies or societal views and opinions regarding sustainability issues. Based on current insights, Achmea expects a gradual transition towards a climate neutral society. Achmea aims to limit the impact of these transition risks by maintaining a well-diversified investment portfolio, consisting of highly liquid assets (see also the liquidity section for more information on highly liquid assets).
- Additionally, Achmea has implemented guidelines on sustainability (ESG) risks to comply with the prudent person principle for market risk in the Market Risk Policy and for counterparty risk in the Counterparty Risk Policy. For example, the Market Risk Policy describes how ESG metrics are used to monitor sustainability risk in the investment portfolio and the Counterparty Risk Policy describes how Achmea considers the impact on sustainability as part of the prudent person principle for financial risks.

Additionally, the Market Risk Policy and Counterparty Risk Policy contain principles on sustainability.

C.2.2. INTEREST RATE RISK

The sensitivity of the solvency position under Solvency II to various changes in the underlying assumptions is included below.

SENSITIVITIES

€ MILLION

	OWN FUNDS	SCR	SOLVENCY RATIO 2024	SOLVENCY RATIO 2023
Baseline	10,039	5,526	182%	183%
Without Volatility Adjustment	9,562	6,692	143%	139%
Last liquid point 30 years	9,617	5,567	173%	173%

SENSITIVITIES INTEREST

€ MILLION

	OWN FUNDS	SCR	SOLVENCY RATIO 2024	SOLVENCY RATIO 2023
Baseline	10,039	5,526	182%	183%
Interest -100 bps	10,459	5,637	186%	185%
Interest +100 bps	9,789	5,457	179%	183%
Interest -50 bps	10,229	5,578	183%	184%
Interest +50 bps	9,892	5,491	180%	183%

In annex 2 the relevant sensitivities per insurance legal entity are presented.

C.2.3. EQUITY RISK

SENSITIVITIES EQUITY

€ MILLION

	OWN FUNDS	SCR	SOLVENCY RATIO 2024	SOLVENCY RATIO 2023
Baseline	10,039	5,526	182%	183%
Equity prices -20%	9,138	5,378	170%	173%

C.2.4. PROPERTY RISK

SENSITIVITIES PROPERTY

€ MILLION

	OWN FUNDS	SCR	SOLVENCY RATIO 2024	SOLVENCY RATIO 2023
Baseline	10,039	5,526	182%	183%
Property Prices - 20%	9,693	5,530	175%	176%

C.2.5. SPREAD RISK

SENSITIVITIES SPREAD

€ MILLION

	OWN FUNDS	SCR	SOLVENCY RATIO 2024	SOLVENCY RATIO 2023
Baseline	10,039	5,526	182%	183%
All Spreads -50 bps	10,388	5,541	187%	187%
All Spreads +50 bps	9,735	5,523	176%	180%

SENSITIVITIES SPREAD

	OWN FUNDS	
	2024	2023
Credit Spread excluding mortgage loans -50 bps	9,965	8,786
Credit Spread excluding mortgage loans+50 bps	10,143	8,886
Mortgage loans -50 bps	10,347	9,152
Mortgage loans +50 bps	9,749	8,562
Spreads Government -50 bps	10,185	8,818
Spreads Government +50 bps	9,953	8,896

C.2.6. MARKET CONCENTRATION RISK

Market Concentration Risk is the risk of loss resulting from the lack of diversification in investments and liabilities for Market Risk or due to an increased sensitivity to bankruptcy of an individual counterparty or group of affiliated counterparties, to the extent that this is not expressed under counterpart default risk.

The balance sheet of Achmea does not comprise any Market Concentration Risks that lead to capital requirements under Solvency II legislation.

C.2.7. LOAN PORTFOLIO

For detailed information on the loan portfolio reference is made to Chapter D.1.6. Under the Loan portfolio Achmea includes loans and mortgages provided to individuals and companies. The loan portfolio recognised on the Economic Balance Sheet is backing the cashflows of the Technical Provisions.

C.2.8. COLLATERAL ARRANGEMENT

Within Achmea all derivative transactions and the related collateral postings have to adhere to the requirements and restrictions of the Counterparty Risk Policy. This policy is frequently updated and in line with the current EMIR-regulation (European Market Infrastructure Regulation).

Achmea uses two Central Counterparties (LCH Clearnet and Eurex Clearing AG) and their appointed banks as Clearing Members (Barclays, Deutsche Bank, BNP Paribas and J.P. Morgan. Achmea also has bilateral OTC-agreements (ISDA contracts including CSA's) in place with financial institutions. For further details on collateral management, see C.6.1. use of derivatives.

Concerning mortgage loans, Achmea receives residential property as collateral.

As part of the Liquidity Risk management Achmea assess the impact of (stressed) interest rate changes on the collateral requirements and subsequently on the liquidity position.

The total amount of collateral:

COLLATERAL

€ MILLION

	2024	2023
Collateral held	26,248	25,256
Collateral pledged	647	1,130

C.2.9. SECURITIES LENDING

In 2024, there were no changes in the securities lending program of Achmea. The economic value of the securities lending increased to € 1,959 million (2023: € 1,728 million). At the end of 2023, there was little volume available of securities lending due to transitions within credits and government bonds. This has recovered during 2024.

C.2.10. BORROWING TRANSACTIONS

On 4 May 2024, Achmea issued € 750 million of a subordinated Tier 2 notes with a maturity of 20.5 years, callable after 10.5 years on 2nd May 2034 (subject to redemption conditions). The Tier 2 notes have a coupon of 5.625% until the first reset note reset date on 2nd November 2034. The Tier 2 Notes are listed on Euronext Dublin.

On 28 January 2025 Achmea issued € 300 million of perpetual Restricted Tier 1 securities (Securities), callable after 10 years on 28 January 2035 (subject to redemption conditions). The Securities were priced with a coupon of 6.125% until the first reset date on 28 July 2035. The Securities are listed on Euronext Dublin.

In 2024, € 357 million of the subordinated Tier 2 perpetual Notes of € 750 million (coupon 4.25%) were repurchased. On 4 February 2025, the remaining part of the subordinated Tier 2 perpetual Notes of € 393 million was repaid early.

Achmea has successfully concluded a committed € 1 billion multi-currency credit facility with a syndicate of twelve international banks. This facility will run for five years and may be extended twice for a further one year. This means that the facility can run until 2031 at the latest. The new credit facility replaces the 2019 credit facility which also had a ceiling of € 1 billion. This credit facility is part of Achmea's liquidity management and is currently unused.

The shares paid as a stock dividend are shares that were repurchased by Achmea B.V. (own shares). In 2024, part of the dividend was paid out as a stock dividend. This stock dividend was financed for € 238 million from the company's own shares.

Achmea Bank N.V.

In February 2024 Achmea Bank N.V. issued € 500 million covered bonds under its € 10 billion Soft Bullet Covered Bond Program. The bonds have a tenor of 10 years, a maturity date of 7 February 2034. The bond has a coupon of 3.00%. The bond is listed on Euronext Amsterdam.

In June 2024 Achmea Bank N.V. issued € 500 million covered bonds under its € 10 billion Soft Bullet Covered Bond Program. The bonds have a tenor of 12 years, a maturity date of 11 June 2036. The bond has a coupon of 3.125%. The bond is listed on Euronext Amsterdam.

In October 2024 Achmea Bank N.V. issued € 650 million covered bonds under its € 10 billion Soft Bullet Covered Bond Program. The bonds have a tenor of 3 years, a maturity date of 15 October 2027. The bond has a coupon of 2.625%. The bond is listed on Euronext Amsterdam.

Achmea Bank N.V. issued its first Tier 2 Notes under its € 10 billion European Medium Term Note Program. The transaction consists of € 125 million 12.25NC7.25 Tier 2 Notes priced with a coupon of 5.875% until first coupon reset date on 6th November 2031. The Tier 2 Notes are listed on Euronext Dublin.

Achmea Bank N.V. has issued 2x € 500 million retained soft bullet covered bonds under its new € 5 billion Retained Soft Bullet Covered Bond Program (ASBCBC II). The bonds have a tenor of 5 and 7 years. The bonds are listed on Euronext Amsterdam.

In December 2024 Achmea Bank N.V. has issued € 500 million Senior preferred green bonds. The green senior bond has a maturity of 3 years. The bond has a coupon of 2.75%. The green senior bond is listed on Euronext Dublin. The Notes have been issued under the Achmea Bank N.V. € 10 billion Debt Issuance Program.

Achmea did not enter into other new borrowing transactions in 2024.

C.2.11. OTHER MARKET RISKS

For the short term, no substantial other Market Risks are identified within Achmea. In the medium- to longer term, uncertainties exist regarding the consequences of climate change for the investment portfolio of Achmea. This includes both physical climate-related risks, which can affect real estate and mortgages, and transition risks, which can cause unforeseen and unexpected volatility in the value of investments as a consequence of the (almost instantaneous) energy transition and changing social attitudes especially if those related companies do not adapt to the change in climate and the preferences of their clients.

Achmea keeps monitoring the markets in which she operates for sustainability issues not limited to environmental issues. Relevant developments are brought to the attention of the Asset & Liability Committee of Achmea for discussion and action.

C.3. COUNTERPARTY DEFAULT RISK

For a description of Credit Risk we refer to the Achmea Year Report 2024, section G Counterparty Default Risk.

Derivatives are described in more detail in section C.6.1. Use of derivatives.

C.4. LIQUIDITY RISK

For a description of Liquidity Risk we refer to the Achmea Annual Report 2024, section H Liquidity Risk.

Expected profits in future premiums

Expected profits in future premiums (EPIFP) is defined as that part of future premiums Achmea expects to obtain from the policyholders over the duration of the contracts which relates to the profit margin. If the policyholder lapses or discontinues the contractual relationship before maturity Achmea will not receive any of these profits. In principle the EPIFP exists only for those contracts which have a recurring premium over the duration of the contract.

EPIFP

€ MILLION

	2024	2023
Achmea Pensioen- en Levensverzekeringen N.V.	298	388
Achmea Schadeverzekeringen N.V.	546	571
Achmea Zorgverzekeringen N.V. consolidated	96	205
Achmea Reinsurance Company N.V.	17	51
Interamerican Hellenic Insurance Company S.A.	34	33
Union Poist'ovna A.S.	27	26
Eureko Sigorta A.S.	0	0
N.V. Hagelunie	8	4
Group EPIFP	1,026	1,279
EPIFP % Tier 1 EOF	**15%**	**23%**

EPIFP PER MAJOR LINE OF BUSINESS

€ MILLION

	2024	2022
Other Life without options and guarantees	319	388
Health insurance (direct business) without options and guarantees	386	431
Medical Expenses	96	207
Other	225	254
Total EPIFP	**1,026**	**1,279**

Within Achmea Pensioen- en Levensverzekeringen N.V. the EPIFP has decreased by € 90 million during the year 2024, mainly caused by a model change concerning savings value products. The contribution to EPIFP is mostly due to the risk- and mortgage-products. The oldest products have the largest contribution to EPIFP.

The EPIFP of Achmea Schadeverzekeringen N.V. decreased by € 25 million, mainly caused by a lower profitability of the AOV portfolio, despite the increased profitability of the Non-Life business especially the private lines due to premium increases.

For the Dutch health insurance entities the expected profitability decreased in 2024 by € 110 million within the basic and additional health insurance portfolio.

C.5. OPERATIONAL RISK

For a description of Operational Risk we refer to the Achmea Year Report 2024, section I Operational Risk.

C.6. OTHER MATERIAL RISKS

KEY RISK THEMES IN 2024

The Executive Board and the management boards of the business units conduct an integrated assessment of the key risk themes annually through the Strategic Risk Assessment. Without effective control measures, the relevant risks can have a significant impact. Achmea closely monitors these risk themes as part of the periodic monitoring and reporting of the Risk Profile and the Own Risk and Solvency Assessment (ORSA).

The risk management activities are structurally tested internally for approach and effectiveness. Additionally, monitoring is conducted by De Nederlandsche Bank (DNB), the Autoriteit Financiële Markten (AFM), and the Nederlandse Zorgautoriteit (NzA) under the Current Monitoring Methodology, as well as by local supervisors for Achmea's foreign entities. Risks are made transparent, and the risk control measures are effective enough to reduce residual risks to an acceptable level.

For more detailed information on Climate Risk, reference is made to the Annual report of 2024.

The key risk themes for Achmea are described below:

STRATEGIC RISK

Sustainability	
Explanation	Control Measures
Sustainability risks are related to all ESG (Environmental, Social and Governance) elements and affect Achmea as an insurer, Achmea as an investor and financier and to Achmea's own business operations. There may be strategic and reputational impact when Achmea fails to act quickly enough in the energy transition and when it is unable to meet its (externally communicated) sustainability targets and sustainability statements either partially or fully.	Achmea has communicated its climate objectives externally. Based on new internal and external insights, these are periodically refined. The activities aimed at achieving all sustainability targets within Achmea have been brought together in one central programme, 'Achmea Sustainable Together', ensuring completeness and consistency in the measures to be taken, both at Group level and within the business units. The sustainability policy has been specified on various points in 2024 (including an ESG Underwriting policy). Additionally, the establishment and rollout of an ESG e-learning will enhance knowledge and insights on sustainability across the organization. In Achmea's regular business activities, attention is being paid to risk control measures regarding sustainability throughout the Group. For our insurance business this includes adjusting our product and service range, tightening premiums and conditions and also reinsurance. Within the investment activities a Socially Responsible Investment (SRI) policy (including an exclusion and engagement policy) has been applied for quite some time now. Within our own business operations, this involves, among other things, the sustainability of our buildings. Regular risk analyses are updated annually and are deepened in specific areas. More detailed information on Achmea's sustainability-related activities is included in section B8 Any Other Information.

Future earnings model	
Explanation	Control measures
The future revenue model of Achmea is influenced by various external developments in the market. This includes the introduction of new distribution, product, and/or service models, which intensify competition and can disrupt current business models. Additionally, broader social and economic trends play an important role, such as demographic shifts, changing laws and regulations (e.g., the new pension agreement), and the influence of changing societal views. Macroeconomic factors, such as interest developments, inflation, and economic growth, can also have consequences for Achmea's revenue model. Furthermore, there is a visible trend of consolidation in both the Dutch and European markets, which may affect Achmea's competitive position. Finally, the decreasing size of the service book within Achmea Pensioen- & Levensverzekeringen N.V. has a negative impact on future free cash flows and balance sheet ratios. This requires timely adjustments to products, services, and processes to mitigate the negative effects.	Achmea's revenue model focuses on achieving a strong operating result, with an emphasis on Operational Free Cash Flow (OFCG) to generate resources for investments in growth and innovation. The strategy aims to maintain existing products, supplemented by strategic explorations and collaborations, so that we can adapt our product portfolio and optimally seize new opportunities. To safeguard this revenue model, we have implemented the following control measures: • A clear strategy focused on operational results and OFCG, enabling us to create resources for future investments in growth and innovation. • A cycle for strategic review, in which the effectiveness of the strategy is periodically evaluated and adjusted as necessary. • Active renewal of products, services, and processes to flexibly respond to market and customer needs and strengthen our competitive position. • A completed strategic exploration at Achmea Pensioen- & Levensverzekeringen N.V., resulting in a collaboration agreement with ELG Group Limited and Lifetri B.V. in the field of pension and life insurance (subject to approval by the works councils and regulators). • Financial and performance management monitors the progress of the strategy and ensures adjustments where necessary. • Monitoring (future) use of capital and, where necessary, adjusting the use of capital to the changing product portfolio. .
Geopolitical developments and inflation	
Explanation	Control measures
Geopolitical developments (such as the war in Ukraine, conflicts in the Middle East, and the new government in the U.S.) and inflation can lead to lower investment returns, higher claims costs, increased personnel expenses, decreasing sales of insurance products, higher lapse rates of insurance policies and mortgages, and increased payment arrears, resulting in a negative impact on the profitability and solvency of the insurance entities. Within Achmea, inflation is primarily reflected in higher wage costs and increased claims costs, deriving from both wage inflation and price inflation. A specific area of concern involves Achmea's activities in Türkiye, where inflation has been extremely high for several years.	Achmea is monitoring developments closely. The consequences of inflation are managed by such means as expense measures, premium adjustments and product management. We support our customers wherever possible in preventing and solving payment difficulties, also in collaboration with the other parties involved. The investment portfolio contains natural hedges because of the correlation with interest rates, equities, real estate and commodities. For the Dutch entities, Achmea makes no use of inflation-linked investment instruments due to the substantial basis risk (only partial correlation between the hedged inflation and inflation in our liabilities). However, inflation-linked investment instruments are used for Achmea's activities in Türkiye.
Distribution partners	
Explanation	Control measures
Achmea uses various distribution partners for the sale of its products, with Intermediaries and Rabobank being the key strategic distribution partners and/or reduced commercial strength. There is a risk of Achmea losing market share as a result of a reduced partnership. Therefore, Achmea sees this collaboration as an important and integral part of its business model.	Mutual expectations are permanently aligned to successfully work together as parts of the common value chain. The development of products and services that match the desired sales of the distribution partners is actively pursued using modern channels with digital and personal interaction.

Increasing legislative and regulatory requirements and political developments

Explanation	Control measures
Achmea has to deal with many laws and regulations. There is a risk that Achmea's business operations, earnings model and more specifically the solvency requirements will be affected by political developments and increasing requirements from laws and regulations, stricter interpretation by supervisors and / or by organizing solidarity in society differently. This risk affects all Achmea product lines. In addition, Achmea is exposed to reputational and financial risks when it fails to comply with laws and regulations in a timely manner.	Since increasing legislative and regulatory requirements are closely monitored, necessary measures can be initiated in time. Among others things, in 2024 attention was paid to the implementation of current and forthcoming legislation and regulations on sustainability (including external reporting such as CSRD), the Future of Pensions Act (Wtp), AI Act and the Digital Operational Resilience Act (DORA).

Tight labour market

Explanation	Control measures
Tightness on the labour market is considered to be structural in nature as a result of demographic developments. It has a direct and an indirect impact. The direct impact is the risk of Achmea being unable to attract and retain the talent required for innovation and business continuity. This could disrupt services and lead to Achmea incurring extra expenses. Use of external capacity can only partially absorb the impact. The indirect impact relates to the risk to services provided by other parties in the supply chain, such as a shortage of medical personnel or employees at contractors or repair workshops.	Achmea actively engages with innovative initiatives aimed at shortening the duration of the application process and developing a 'bilingual Achmea' to expand its talent pool. Strategic Workforce Management also focuses on promoting internal mobility and emphasizes upskilling and reskilling. Furthermore, the transformation of the HR organization contributes to efficiency improvements in the processes of recruiting and onboarding new employees at Achmea.

Artificial intelligence

Explanation	Control measures
The developments in artificial intelligence (AI) are progressing rapidly and are being increasingly applied within Achmea, for example, in the evaluation of underwriting and claims handling, and to maintain high service levels. The main risks are: • Competitive advantage of other insurers who can apply AI faster and more efficiently, leading to potential loss of market share for Achmea. • Incorrect or unclear analyses by AI systems, which can result in wrong underwriting or claims assessments, negatively impacting customer satisfaction and results. • Ethical risks, such as biases in algorithms that disadvantage certain groups, which could result in reputational damage or fines.	The risks of AI are managed through: • Investments in AI research and development to stay at the forefront, combined with (strategic) partnerships with technology partners to accelerate AI capabilities and seize new market opportunities. • Development of a company-wide framework for the responsible use of AI ('Responsible AI') under the leadership of Strategy & Transformation. The existing control frameworks for IT, privacy, data governance, and the ethical framework of the Association of Insurers are integrated into this framework. This ensures explainable AI algorithms that provide transparency and enable verifiable results. • Implementation of control measures that ensure AI algorithms are free from biases and operate ethically. This includes control measures on underlying systems, models, and datasets, as well as utilizing experts to identify and eliminate bias.

MARKET RISK

Financial markets

Explanation	Control measures
As a financial services provider, Achmea is significantly exposed to the financial markets, primarily due to its investment portfolio. Political and geopolitical instability, global economic developments, and decisions by financial authorities can lead to volatility in the financial markets, which may have consequences for the valuation of our investments and liabilities. In 2024, the market interest rate remains at a higher level compared to previous years, but is showing a slight declining trend throughout the year. A higher market interest rate is expected to have a favourable effect on the long-term protection of policyholders; however, in the short term, interest expenses from refinancing are increasing, which may worsen the Fixed Charge Coverage Ratio, potentially impacting the rating. A period of (prolonged) low interest rates remains possible	This risk is controlled by the risk management measures as described in section C.2. Market Risk.

UNDERWRITING RISK

Longevity Risk

Explanation	Control measures
Achmea is exposed to Longevity Risk due to the long durations of pension and life insurance contracts. Life expectancy has risen over the past few decades, partly due to breakthroughs in medical science and changes in lifestyle. Additionally, since the Covid pandemic, life expectancy has stabilized. This stabilization is evident in the projection table published by the Dutch Society of Actuaries and impacts the future payout pattern of the pension and life insurance activities	Longevity Risk is managed through regular reassessment and updating of actuarial models and projection tables to respond to changes in life expectancy. This includes monitoring trends such as medical breakthroughs, lifestyle factors, and the impact of events like the Covid pandemic. By continuously aligning payouts and Risk Profiles with the most current data, Longevity Risk is managed, and payout patterns can be predicted more accurately.

Natural Catastrophe

Explanation	Control measures
In the Non-Life portfolio, catastrophic events caused by (extreme) weather conditions can have a significant impact. Due to climate change, the frequency, timing, and intensity of these events may vary. Global climate change trends, combined with inflation and lower investment returns, have led to a hardening of the reinsurance markets in recent years. However, the past year has been characterized by stabilization, with limited consequences for reinsurance premiums, retention, and reinsurance conditions. These developments have implications for the required capital and may increase the volatility of the results.	Control measures include model development, reinsurance and contingency plans. Regarding the Non-Life portfolio, these risks are taken into account in product development, pricing and conditions. The hardening reinsurance market has led to higher premiums for many products. Achmea has close contacts with the companies that develop catastrophe models, as well as with universities and the Royal Netherlands Meteorological Institute (KNMI). This also ensures that climate change trends are closely monitored, and impacts evaluated.

Portfolio Risk Non-Life and Income	
Explanation	Control measures
The risk due to volatility in underwriting manifests itself in the Non-Life and income portfolio due to higher than currently expected injury and other claims and/or deviations from estimated disability and rehabilitation probabilities	Risk management in the Non-Life portfolio takes place through, among other things, promoting prevention measures and optimizing underwriting guidelines and reinsurance. Specifically for personal injury claims, a claims monitoring system has been established, and prediction models are being further developed. For the income portfolio, claims monitoring specifically pays attention to reintegration and developments in laws, regulations, and case law. Part of the income portfolio is reinsured.

OPERATIONAL RISK

Cybercrime	
Explanation	Control measures
Cybercrime is an important social issue, one that also continues to grow in importance for Achmea. 'Cybercrime' refers to the risk of material damage arising from, for example, loss of data or unauthorised data processing, prolonged disruption of business operations, and hardware disruptions as a result of inadequate security measures. There is also the risk of damage to Achmea's reputation as a result of social media incidents and/or loss or theft of privacy-sensitive data.	Through a specific cyber security maturity model, the level of security is assessed, also involving scenario analyses. For control purposes, an Integral Security Approach has been implemented, with a strong focus on awareness and outsourcing. Achmea's reputation is continuously monitored. In addition, Achmea has taken out its own cyber risk insurance. The main security and privacy risks are managed by means of information security and privacy management measures in the Achmea control framework (CFW).

Customer Due Diligence processes	
Explanation	Control measures
The risk of inadequate internal control of Customer Due Diligence processes and non-compliance with applicable laws and regulations due to capacity and complexity issues. As a result, financial and reputational damage may occur.	Short-cycle monitoring is used to monitor compliance with laws and regulations. Further details are included in section on Compliance Risk.

Duty of care	
Explanation	Control measures
The risk of Achmea having to pay out or reimburse more due to changing social developments and/or possible liability claims.	Achmea monitors customer feedback, social and legal trends with regard to the duty of care. Key areas of focus in terms of the duty of care are product development, periodic reviews, distribution forms, and advertising and website communications. With regard to the Unit Linked insurance claim, Achmea Pensioen- en Levensverzekeringen N.V. has reached an agreement with the interest groups on a final arrangement for customers with Unit Linked insurance who are affiliated with one of these parties. The agreement will be final if 90% of the affiliated customers agree.

Emerging risks are characterised by a high degree of uncertainty in terms of impact (difficult to quantify) and probability. These risks can be recognised as new risks (e.g. space risks) or as existing risks that have significantly evolved as a result of external developments (e.g. cyber risks). We observe that many Emerging Risks are characterised as transversal risks, meaning they manifest through one or more of the risk types within the risk classification. They can have a substantial potential impact on capital, underwriting, investments, and/or activities of an insurer.

Achmea identifies emerging risks based on the PESTEL framework. Impactful emerging risks include:
- Global debt crisis.
- Changes in monetary and fiscal policy.
- Failure of critical infrastructure (internet, electricity, communication systems).
- Cybercrime.

Achmea monitors emerging risks as part of the regular risk management process.

C.6.1. USE OF DERIVATIVES

Achmea makes use of interest rate derivatives (swaps and swaptions) for the mitigation of Interest Rate Risk. For the mitigation of Currency Risk, Achmea uses foreign exchange contracts.

Derivative transactions are only initiated with counterparties that meet Achmea’s rating requirements and collateral requirements. ISDA master agreements (International Swaps and Derivative Association) are in place between Achmea entities and its derivative counterparties. The Counterparty Default Risk Policy defines collateral requirements that must be specified in the individually negotiated Credit Support Annexes (CSA).

Only ‘prime collateral’ is accepted, comprised of government bonds issued by highly rated countries and cash collateral in euros, US dollars, British pounds and Swiss francs. Independent valuation of derivatives, daily settlement of collateral and improved valuation adjustments related to remaining maturity of the collateral received, further reduces the Counterparty Default Risk.

C.6.2. USE OF REINSURANCE AND FINANCIAL MITIGATION TECHNIQUES

Achmea Reinsurance Company N.V.

Achmea Reinsurance Company N.V. (hereinafter Achmea Reinsurance) is the reinsurance company of the group. As Achmea expert center, Achmea Reinsurance has three roles: advisor, purchaser and risk carrier. Achmea Reinsurance provides the main reinsurance cover to the Dutch and foreign insurance entities within Achmea. Part of the reinsurance contracts are retroceded to the external reinsurance market. A portfolio of reinsurances assumed from third parties has been created in order to diversify insurance risk and to increase earnings for Achmea.

Achmea has a Reinsurance Policy which is part of the Group Policy framework. The Reinsurance policy contains an overview of all responsibilities regarding the reinsurance process. Within the reinsurance process for the external Non-Life Group Reinsurance program there are specific roles: the Dutch entities decide on the level of retention within their risk appetite and the Underwriting Committee of Achmea Reinsurance decides on the retention for Achmea Reinsurance. The Group Non-life reinsurance program is placed in the market after approval by the Reinsurance Delegates Committee and the Executive Board respectively. Given a close cooperation between Achmea Reinsurance and the reinsurance departments of the non-Dutch entities, Achmea Reinsurance participates in parts of their reinsurance programs as a risk carrier.

The Group Non-Life reinsurance program mainly consists of catastrophe excess-of-loss contracts and per risk excess-of-loss contracts (Property, Casualty and Marine per Risk). Individual risks that exceed the treaty limit of the ’per risk’ programmes are covered on a facultative basis.

Dutch insurance entities

In general, Achmea has a Reinsurance Policy which is part of the Group Policy framework. The Reinsurance policy contains an overview of all responsibilities regarding the reinsurance process. The Reinsurance policy and Reinsurance process also has a link to the Counterparty Risk Policy as the credit worthiness of reinsurance counterparties is monitored according to this policy.

Reinsurance is used to limit Mortality and Catastrophe Risk within the SCR for Life Underwriting Risk. Achmea Reinsurance has a quota-share agreement with Achmea Pensioen- en Levensverzekeringen N.V. Part of this quota-share is placed in the reinsurance market.

Reinsurance is used to limit the impact of weather-related events, natural disasters, major fires, large claims in general and motor third-party liability within the SCR for Non-Life Underwriting Risk. Part of the retention is maintained at Achmea Reinsurance.

For SLT Health Risk reinsurance is used to protect capital and earnings. Achmea Reinsurance has WGA/WIA quota-share and stop-loss excess of loss agreements with Achmea Schadeverzekeringen N.V., which are placed in the reinsurance market.

Foreign insurance entities

Reinsurance is used at all Achmea's foreign insurance entities to mitigate Underwriting Risk, in particular for Non-Life Catastrophe Risk. The level of Non-Life Catastrophe Risk is determined annually by the Reinsurance committee of the foreign supervised undertaking in accordance with the minimum requirements specified in the local Reinsurance Policy and risk appetite Statements of the foreign supervised undertaking. Each foreign supervised undertaking has its own risk appetite Statement that sets the level of desired Underwriting Risk relative to other risk types. The credit worthiness of reinsurance counterparties is monitored according to the local Counterparty Risk Policy. Achmea Reinsurance Company N.V. has the possibility to take a small participation in some of the Non-Life catastrophe reinsurance programmes of the foreign insurance entities.

C.6.3. USE OF FUTURE ACTIONS

On 9 November 2021 DNB published a Q&A describing that individual disability products (AOV) under Solvency II should be treated as contracts with a long duration. This interpretation of those guidelines is applicable in Solvency II reporting from 2023 Q2 onwards. Implementation of the major model change to accommodate the change of the contract boundary in the Partial Internal Model also involved the modelling of a Future Management Action (FMA).

The FMA included in SCR calculations for AOV comprises defined premium increases when claims and combined ratio triggers are hit. The amount of the increase is based on target combined ratio levels for future accident years, after the first premium increase. The FMA for AOV, as an integral part of the PIM, has been approved by DNB.

Except for the FMA for AOV as described above, Achmea currently has no FMA's included in the calculation of the Basic SCRs and Capital requirements for Operational Risk. Within the determination of the Loss-Absorbing Capacity of Deferred Taxes (LACDT), the various legal entities describe FMA's. Based on the underlying scenarios which constitutes the LACDT-shock, senior management of the legal entities and Achmea are committed to include the following major FMA's to recover the Solvency position (where deemed appropriate and necessary):

- Executing the Committed Credit Line arrangements.
- Providing excess liquidity to the entities in need of capital.
- Premium measures.
- Cost measures.
- De-risking of Market Risk.
- De-risking of Underwriting Risk.

Senior management has assessed the appropriateness, realism and availability of the measures in the circumstance of the specific hypothetical LACDT-shock and concluded the FMA's to be fit for use and within the remits of Achmea in the case of the emergence of the combination of the underlying scenarios as described in the calculations of the LACDT.

C.6.4. SIGNIFICANT RISK CONCENTRATIONS WITHIN THE GROUP

Significant exposure is an exposure that supersedes a threshold of 10% of the SCR of Achmea € 552 million (2023: € 484 million). The most important exposure (value of the exposure) by (single name) counterparty and by type of exposure:

SIGNIFICANT RISK CONCENTRATIONS

€ Million

	EQUITY	BONDS	ASSETS WHOSE RISKS ARE MAINLY BORNE BY THE POLICYHOLDERS	DERIVATIVES	OTHER INVESTMENTS	LOANS AND MORTGAGES	OTHERS DIRECT EXPOSURES	EXEMPTIONS	AMOUNT OF THE EXPOSURES AFTER CREDIT OR INSURANCE RISK MITIGATION TECHNIQUE AND EXEMPTIONS
Coöperatieve Rabobank U.A.		5	106	46	2.590	2.564	-1.902		3.410
The Kingdom of The Netherlands		1.671	91		35	942	2.973	-2.479	**3.232**
Ameriprise Financial, Inc.	4		716		3				**723**
United States Department of the Treasury		292	276						**568**

The majority of our risk concentration is related to exposures in government bonds in the Netherlands and Achmea's relationship with the Rabobank (mortgage saving products, distribution channel, and shareholder). For the mortgage saving insurance products, Achmea and the Rabobank agreed on so called Cession/retrocession and sub-participation contracts. The transactions ensured that policyholders of the mortgage saving insurance contracts are even better protected in adverse circumstances which would affect the Rabobank as a counterparty of Achmea Pensioen- en Levensverzekeringen N.V.

Based on our analysis, the liabilities (insurance liabilities, by Achmea issued loans/debts, others) and off-balance sheet items (contingent assets and/ or liabilities) have no significant exposure and are therefore not disclosed in this paragraph.

C.7. ANY OTHER INFORMATION

C.7.1. MATERIAL RISKS WITHIN THE OTHER FINANCIAL SECTORS

Achmea Bank identifies the following types of material risks:
- Solvency Risk: Solvency Risk defines the risk that the Bank cannot meet maturing obligations because it has a negative net worth, causing the market to lose its confidence in the bank.
- Liquidity Risk: Liquidity Risk is defined as the risk that the bank fails to fulfil its short and long-term liabilities. This includes the risk that the bank is not able to attract funding with appropriate maturities or at appropriate interest rates and the risk that the bank fails to liquidate assets at a reasonable price or within a reasonable period of time.
- Credit Risk: Credit Risk is defined as the risk that a counterparty cannot (fully) meet its obligations to Achmea Bank and comprises Retail Credit Risk and the Credit Risk related to exposures to professional counterparties.
- Interest rate risk on banking book: Interest rate risk is the present or future risk of a decline in equity or income due to changes in market interest rates.
- Operational Risk: Operational risks are possible losses as a result of inadequate or defective internal processes and systems, inadequate or incorrect human actions or external events and fraud.
- Strategic Risk: Strategic Risk is defined as risk that affects an entity's vital interests or execution of chosen strategy, whether imposed by external threats or arising from flawed or poorly implemented strategy.

The material risks of Achmea Investment Management B.V.[13] are Operational Risk, Concentration Risk, Market Risk (indirect) and Claim Risk.

The material risks of Achmea Real Estate B.V. and Achmea Mortgage Fund B.V.[14] are Solvency Risk, Liquidity Risk, Credit Risk, Market Risk, Concentration Risk, Operational Risk and Strategic Risk.

The material risk of Centraal Beheer PPI N.V. is Operational Risk (IT-Risk). The material risks of Union Poist'ovna A.S. are Underwriting Risk, Market Risk and Counterparty Default Risk.

[13] For more detailed information, reference is made to the Year Report 2024 of Achmea Investment Management B.V., Executive Board Report, Risk Management, page 18.

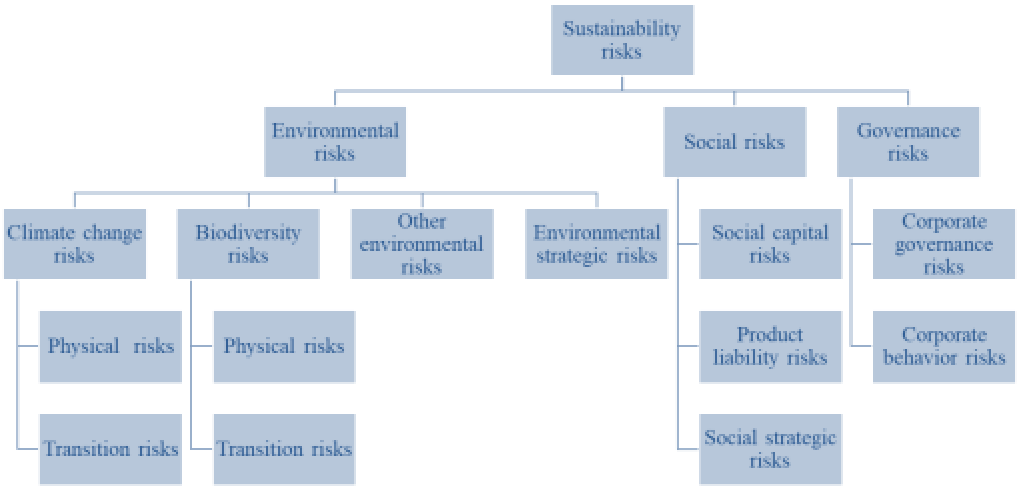
[14] For more detailed information, reference is made to the Year Report 2024 of Syntrus Achmea Real Estate & Finance B.V., Executive Board Report, Governance and Risk Management, page 29.

C.7.2. SUSTAINABILITY IN THE RISK TAXONOMY

Achmea uses a risk taxonomy to govern all the quantitative and non-quantitative risks.
Achmea recognises Sustainability Risk as so called transversal risks. Transversal risks are risks that manifest themselves through one or more of the risk types in the risk classification as identified by Achmea. Already identified Transversal Risks include Solvency Risk and Reputational Risk. For Sustainability Risk, Achmea has defined the following risk classification comprising Environmental, Social and Governance risks.

Sustainability Risk	Achmea is exposed to the risk of current or future negative effects of environmental (E), social (S) or governance (G) incidents or circumstances on Achmea, its counterparties, assets, investments, liabilities and operations.
Environmental Risk (E)	Achmea is exposed to the risk of current or future negative effects of environmental factors on its assets, acceptance and activities (including those caused by climate change or loss of biodiversity).
Social Risk (S)	Achmea is exposed to the risk of negative social implications in its direct or indirect treatment of different groups of stakeholders (society as a whole, communities and Achmea's employees). This can derive from the loss of social capital or product liability or failing to realise Achmea's social sustainability ambitions.
Governance Risk (G)	Achmea is exposed to the risk of negative governance effects as a result of the way in which Achmea and its value chain govern themselves through policy, processes and controls, e.g. by failing to monitor sustainability targets properly or not promoting a culture of sustainability.

Sustainability Risk is further specified in more detailed categories. Note: As legislation and science do evolve, this taxonomy will also be subject to change.



In risk assessments, both the overall risk classification and the specific risk classification for sustainability risks are used. A structural ESG-wide risk assessment has been implemented to support our sustainability-related activities.

D. VALUATION FOR SOLVENCY PURPOSES

CONSOLIDATED ECONOMIC BALANCE SHEET

The following Economic Balance Sheet information represents the entire Achmea Group including the legal entities consolidated by means of the sectoral requirements.

For detailed Economic Balance Sheet information for each Dutch legal entity, please refer to the public QRTs (for hyperlinks, see Appendix 1).

ECONOMIC BALANCE SHEET

€ MILLION

ASSETS	2024	2023
Intangible assets	0	0
Deferred tax assets	825	866
Property, plant & equipment held for own use	321	323
Investments (excl. Index Linked and Unit Linked funds)	36,158	34,761
Assets held for Index Linked and Unit Linked funds	8,273	8,096
Loans and mortgages	13,345	13,216
Reinsurance recoverables	828	873
Deposits to cedants	10	12
Insurance and intermediaries receivables	2,918	2,363
Reinsurance receivables	4	11
Receivables	1,465	1,771
Own shares (held directly)	330	700
Cash and cash equivalents	666	1,056
Any other assets, not elsewhere shown	220	182
Total Assets	65,362	64,230

ECONOMIC BALANCE SHEET

€ MILLION

LIABILITIES	2024	2023
Technical provisions – non-life (excluding health)	4,273	4,257
Technical provisions - health (similar to non-life)	4,915	4,517
Technical provisions - health (similar to life)	2,231	2,037
Technical provisions – life (excluding health and Index Linked and Unit Linked)	25,766	26,454
Technical provisions – Index Linked and Unit Linked	8,022	7,532
Contingent Liabilities	35	36
Provisions other than technical provisions	172	121
Pension benefit obligations	830	847
Deposits from reinsurers	1	8
Deferred tax liabilities	149	38
Derivatives	1,903	3,017
Debts owed to credit institutions	2	3
Financial liabilities other than debts owed to credit institutions	1,396	1,376
Insurance & intermediaries payables	1,156	1,138
Reinsurance payables	49	-3
Payables (trade, not insurance)	351	372
Subordinated liabilities	2.202	1,748
Any other liabilities, not elsewhere shown	2,998	2,489
Total liabilities	56,450	55,986
Excess of assets over liabilities	8,912	8,244

D.1. ASSETS

D.1.1. KEY ASSUMPTIONS USED BY ACHMEA

Discount rate for non-insurance assets and non-insurance liabilities

Achmea uses the zero curve in order to calculate the economic value of non-insurance assets and non-insurance liabilities. The curve used for Solvency II purposes equals the curve used for IFRS purposes. The zero curve is derived from the Swap curve.

Achmea extrapolates after the last liquid point[15] by means of a constant 1-year forward and will base the zero rates on this forward rate.

D.1.2. INTANGIBLE ASSETS

Goodwill, deferred acquisition costs and intangible assets obtained by means of a business combination are valued at nil.

D.1.3. PROPERTY, PLANT AND EQUIPMENT HELD FOR OWN USE

Property for own use and Equipment are measured at their economic value. Achmea uses the values as reported in the IFRS Financial Statements as a proxy for the economic value. For more detailed information, Achmea refers to its Annual report of 2024[16].

Equipment and lease is measured at acquisition cost minus amortisation. Achmea assumes the amortisation amount to reflect the economic wear-down of the equipment in normal economic use.

PROPERTY, PLANT & EQUIPMENT FOR OWN USE — € MILLION

	2024	2023
Equipment	64	61
Property for own use	257	262
Closing balance	**321**	**323**

EQUIPMENT AND LEASE (GEOGRAPHIC DISPERSION) — %.

	2024	2023
The Netherlands	72	73
Greece	15	14
Türkiye	10	10
Slovakia	3	3
Total	**100**	**100**

In The Netherlands, Equipment has been recognised mainly in Ancillary Service Entities.

PROPERTY FOR OWN USE (GEOGRAPHIC DISPERSION) — %.

	2024	2023
The Netherlands	86	88
Greece	9	8
Türkiye	5	4
Slovakia	1	1
Total	**100**	**100**

In the Netherlands, Property for own use has been recognised in Ancillary Service Entities, while in Türkiye and Greece the Property for own use is recognised in the insurance entity.

[15] The Last Liquid Point is 50 years for the discount rate applicable to cashflows nominated in euro at the reference date.

[16] Annual Report – Financial Statements, note 15 Property for own use and equipment

D.1.4. INVESTMENTS

Achmea measures all investments at their economic value. The value is derived using the economic value hierarchy. Investments are either held directly or indirectly. Derivatives are shown for their net exposure including liabilities.

In the table below, the Investments (excluding Index Linked and Unit Linked funds) are recognised for an amount of € 34,254 million (2023: € 31,744 million). Derivatives are shown for their net balance (in the Economic Balance Sheet these are presented as separate assets (€ 3,712 million) (2023: € 4,532 million) and liabilities (€ 1,903 million) (2023: € 3,017 million) where appropriate).

INVESTMENTS € MILLION

	PROPERTY (OTHER THAN FOR OWN USE) 2024	HOLDINGS IN RELATED UNDERTAKINGS 2024	EQUITIES 2024	BONDS 2024	COLLECTIVE INVESTMENTS UNDERTAKINGS 2024
Closing Balance	717	1,206	2,080	22,741	1,990

INVESTMENTS € MILLION

	DERIVATIVES (INCL LIABILITIES.) 2024	DEPOSITS 2024	OTHER 2024	TOTAL 2024	TOTAL 2023
Closing Balance	1,808	675	3,038	34,254	31,744

Investments increased with € 2,510 million in 2024. Property (other than for own use (€- 46 million), holding in related undertakings (€ 199 million), equities (€ 912 million), bonds (€ 991 million), collective investments undertakings (€ 253 million), derivatives (€ 293 million), deposits (€ 47 million) and other investments (€- 138 million).

The investments presented are recognised in the various insurance legal entities, Ancillary Service Entities and the Holding (excluding Intra-Group transactions). For an overview of the investments of the Dutch (re)insurance entities we refer to appendix 4.

D.1.4.1. PROPERTY (OTHER THAN FOR OWN USE)

Achmea uses the property values as reported in the IFRS financial statements as a proxy for the economic value. Investment property which is still under construction and land are measured at their economic value. However in the rare cases that the economic value cannot be established continuously for the investment property, Achmea measures the investment property at cost.

Most (99%) of the direct property instruments are located in the Netherlands. Indirect property relates to exposure in investment funds and can be located anywhere in the world.

The table below presents the actual exposure to property based on a look-through basis.

PROPERTY (OTHER THAN FOR OWN USE) € MILLION

	2024	2023
Total direct Property	717	763
Total indirect Property	805	673
Total Investment Property	1,522	1,436

Certain property investments funds or property participations which are subject to a leverage of more than 20% are not included as part of the Property Risk module, but are considered to resemble equity investments and treated accordingly.

The total amount for direct property decreased for an amount of € 46 million which is primary caused by a net derecognition of € 98 million, partly offset by a positive revaluation amounting to € 52 million. The decrease in direct property, caused by selling offices, is in line with the implementation of the 2023 investment plan in 2024. The proceeds are reinvested in property in investment funds.

Property in investment funds increased by € 132 million caused by a net recognition of € 108 million and revaluations of € 24 million

Direct investment property is recognised within Achmea Pensioen- en Levensverzekeringen N.V. (€ 705 million) (2023: € 716 million), Achmea Interne Diensten N.V. (€ 8 million) (2023: € 42 million) and Interamerican Greece (€ 4 million) (2023: € 4 million).

D.1.4.2. HOLDINGS IN RELATED UNDERTAKINGS, INCLUDING PARTICIPATIONS

For Solvency II purposes, Achmea identifies the following 3 types of participations:
- Subsidiaries which are legal entities subject to the Capital Requirement Directive (CRD IV), Institutions for Occupational Retirement Provisions legislation (IORP) or similar prudential legislation.
- Participations where Achmea holds voting rights of more than 20% and less than 50%.
- Other subsidiaries under the control of Achmea but which are not insurance or reinsurance entities, investment related undertakings or Ancillary Service Entities.

On the Economic Balance Sheet all these entities are presented in the balance sheet item Participations.

Participations are measured at their economic value using the economic value hierarchy. If no quoted price in an active market exists, the economic value will be derived by means of the 'adjusted equity method'. (The balance sheet is measured at their economic value following the Solvency II principles, Achmea uses their equity interest to derive the adjusted equity value). If Achmea is not able to derive the Economic Balance Sheet, it uses the net asset value as recognised under IFRS while zeroing goodwill and non-eligible intangible assets. The valuation of Participations in the first category is based on principles as laid down in the local sectoral prudential regimes. Participations which are insurance participation are valued using the 'Excess of Assets over Liabilities' information as submitted (publicly) by the insurance participation.

In the solo entity Achmea Zorgverzekeringen N.V., investment exposures are managed in a specific legal entity. On the statutory Balance Sheet this is presented as a participation. In the Group Economic Balance Sheet this investment related entity is fully consolidated.

OTHER FINANCIAL ENTITIES

Achmea has control over the following entities which are governed by the CRD/CRR, IFD/IFR, IORP or similar (national) regime. The valuation of these entities is based on their local sectoral valuation principles.

OTHER FINANCIAL ENTITIES

€ MILLION

	ASSET	LIABILITY	2024	2023
Achmea Bank N.V.	19,658	18,694	964	774
Achmea Investment Management B.V.	75	20	55	49
Achmea Real Estate B.V.	63	11	52	54
Union Zdravotna Poist'ovna A.S.	235	213	23	41
Centraal Beheer PPI N.V.	37	15	22	12
Achmea Mortgage Funds B.V.	18	5	12	0
Achmea IM FM B.V.	14	1	13	0
Achmea IM AM B.V.	9	0	9	0
Total CRD IV/ IFD / IFR / IORP/ SIMILAR LEGISLATION			**1,150**	**930**

The CRD/CRR, IFD/IFR, IORP or Similar legal entities increased in value in 2024 for an amount of € 213 million (2023: €- 1 million) due to an increase of the net asset value of these entities.

PARTICIPATIONS

Achmea has significant influence over the following entities.

PARTICIPATIONS

€ MILLION

	SHARE %	STRATEGIC	2024	2023
De Vereende N.V.	20	Y	8	7
Land Life Company B.V.	21	N	8	8
Nextgen Ventures B.V.	25	N	0	2
Grendel games B.V.	25	N	0	0
Verheijen Resins Beheer B.V.	30	N	0	0
Health Innovation Fund I B.V.	35	N	0	0
Zorgmatch B.V.	50	Y	0	0
PA Imaging Holding B.V.	25	N	0	0
Achmea IM Emerging Markets Equity Fund	53	N	0	1
Total Participations			**17**	**18**

Participations in which Achmea has significant influence decreased in value for an amount of € 1 million. This is mainly a result of the value decrease of Nextgen Ventures B.V. In 2024, the Achmea IM Emerging Markets Equity Fund, is not longer a participation.

OTHER SUBSIDIARIES

The participation is considered to be strategic if Achmea does not have intention to sell the participation in the near future, the market value showed less volatile movements compared to peer investments of the same risk type over the last years and the entities are included in the strategy of one or more insurance legal entities or Achmea group.

Achmea has control over subsidiaries in the following countries.

OTHER SUBSIDIARIES

	2024	2023
Other subsidiaries in The Netherlands	39	40
Other subsidiaries in Ireland	3	3
Other subsidiaries in Türkiye	0	0
Other subsidiaries in Canada	-2	9
Total	**40**	**52**

Other subsidiaries decreased in value by an amount of € 13 million, mainly due to a decrease in value of Achmea Canada Holding Inc.

D.1.4.3. EQUITY INVESTMENTS

Equity investments are recognised at their economic value using the economic value hierarchy. For those investment where no quoted price in an active market exists a valuation technique is used. The majority of listed equities are valued by their quoted prices (valuation hierarchy level 1), an amount of € 2 million is reported as valuation hierarchy level 2 as a result of staleness of prices compared to previous month.

The table below presents all financial instruments which are used as input to derive the capital requirement for Equity Risk. Achmea identifies the following categories:
1. Equity investments directly held.
2. Equity investments held within Collective Investment Undertakings which meet the criteria of the UCITS framework.
3. Participations, where the main risk driver is equity.
4. Equity derivatives, where the economic value is derived from its underlying assets which have an Equity type exposure.
5. Other, which comprises equity investment funds which do not meet the criteria of the UCITS framework.

The values for equities listed and unlisted reconcile with the values in the Economic Balance Sheet. The other categories are part of the line items Collective Investment Undertakings, Participations, Other subsidiaries and Other investments in the Economic Balance Sheet.

EQUITY INVESTMENTS

€ MILLION

	2024	2023
Equities	2,080	1,168
Equities, listed	1,923	1,037
Equities, unlisted	157	131
Equities in Investment Funds	782	610
Equity Participations	56	70
Equity Derivatives	0	1
Other	830	679
Total Equity Investments	3,749	2,528

Equities listed and unlisted were affected by three factors in 2024:

- Increased stock markets resulted in a positive revaluation amounting to € 239 million.
- Positive currency revaluation (effect € 81 million), is primary caused by US dollar developments.
- Net balance of the recognition of new investments and derecognition of existing investments. The net balance amounted to € 592 million.

In 2024, Management of Achmea decided to reverse the de-risking exercise of December 2023. Achmea invested more in equity exposures in line with the approved investment plan for 2024.

Investments in equities (listed and unlisted) are recognised within the legal entity Achmea Pensioen- en Levensverzekeringen N.V. (€ 1,118 million), Zilveren Kruis Zorgverzekeringen N.V. (€ 254 million), Achmea Schadeverzekeringen N.V. (€ 212 million), Achmea Reinsurance Company N.V. (€ 143 million), Achmea Zorgverzekeringen N.V. (€ 134 million), Achmea B.V. (€ 79 million), DFZ Zorgverzekeraar N.V. (€ 44 million), N.V. Hagelunie (€ 32 million), Achmea Innovation Fund B.V. (€ 21 million), FBTO Zorgverzekeringen N.V. (€ 16 million), Interpolis Zorgverzekeringen N.V. (€ 15 million), Achmea Interne Diensten N.V. (€ 6 million), Interamerican Greece (€ 4 million), Eureko Sigorta A.S. (€ 1 million) and Zilveren Kruis Health Service N.V.(€ 1 million).

Within the investment funds category, the total exposure increased with € 172 million. This increase is primary caused by the positive development in the stock markets resulting in a positive revaluation of € 106 million and a net recognition of € 66 million.

Equity participation decreased with € 14 million and is mainly caused by the other subsidiaries Achmea Canada Holding Inc (run off of the business) and Achmea Pensioenservices N.V. (higher cost base).

The Non-UCITS funds increased with € 151 million mainly due to net recognition of € 132 million and effects of changes in economic assumptions of € 18 million due to positive developments in the stock markets.

The categories Equities in Investment funds, Equity participations, Equity derivatives and Other (Non UCITS funds) are described in their respective paragraphs.

Achmea uses foreign exchanges contracts for its hedging strategy to minimise the net currency exposure. These developments are discussed in the Derivatives section D.1.4.6.

D.1.4.4. BONDS

Bonds held by Achmea comprise three investment categories: government bonds, corporate bonds and collateralised securities.

The majority of the bonds are valued using a quoted market price on debt markets (valuation hierarchy level 1). If no quoted price in an active market is available, Achmea uses the last known traded price in the market (valuation hierarchy level 2). The last known traded price is received from the custodian (BNY Mellon), and checked with Bloomberg prices. If the deviation of the two prices is more than 3%, the delivered price of the custodian is challenged and additional information is requested. Achmea challenges the received price and contacts the concerning asset manager (M&G in the case of collateralised securities such as ABS, CMBS and RMBS), who uses different pricing sources (Bloomberg, IDC and Markit). The detailed information on how the price is derived, is judged by Balance Sheet Management. Based on this information, Achmea decides whether the price and fair value used is appropriate. If the assessment shows that the information does not yield an appropriate price, adjustments to price and market values are made.

BONDS

€ MILLION

	2024	2023
Government Bonds and related exposures	6,687	7,236
Government bonds and related	5,908	6,472
Supranational bonds and related	239	53
Local government bonds and related	293	305
Government bonds issued in another currency than the domestic currency and related	221	406
By government guaranteed	26	0
Corporate Bonds (including convertibles)	15,798	14,269
Collateralised Securities	256	245
Total Bonds	**22,741**	**21,750**

With regard to Government bonds issued in another currency than the domestic currency there are two currencies, the euro for € 26 million and the USD for € 195 million. Government bonds that have the euro as currency are, among others, Romania and Hungary. Government bonds that have the USD as currency are, among others, Türkiye, Dominican Republic, Brazil, Colombia and Indonesia.

The bonds portfolio increased with € 991 million in 2024. The increase was caused by:

- Net recognitions of € 785 million. In accordance with the investment plan for 2024, a general shift has taken place from government bonds to corporate bonds.
- The economic value of the German government bonds decreased because the impact of the spread development (increase) outweighed the decrease of the swap rate (as applied in the valuation by Achmea). The total effect was € 39 million. The remainder of the decrease was the result of the execution of the investment plan for 2024.
- Tightening credit spreads (corporate credit spread index -36 bps, financials credit spread index -50 bps) had a positive effect of € 206 million on the economic value of the corporate bond exposure on the Economic Balance Sheet of Achmea.
- Foreign exchange results for € 39 million, mainly consisted of exposure in US dollar.

Investments in bonds are recognised within the legal entity Achmea Pensioen- en Levensverzekeringen N.V. (€ 10,591 million), Achmea Schadeverzekeringen N.V. (€ 4,788 million), Zilveren Kruis Zorgverzekeringen N.V. (€ 3,296 million), Achmea B.V. (€ 880 million), Achmea Zorgverzekeringen N.V. (€ 751 million), Interamerican Greece (€ 683 million), FBTO Zorgverzekeringen N.V. (€ 589 million), DFZ Zorgverzekeraar N.V. (€ 410 million), Achmea Reinsurance Company N.V. (€ 295 million), N.V. Hagelunie (€ 204 million), Interpolis Zorgverzekeringen N.V. (€ 106 million), Union Poist'ovna A.S. (€ 97 million) and Eureko Sigorta A.S. (€ 50 million).

D.1.4.5. COLLECTIVE INVESTMENT UNDERTAKINGS

When determining the capital requirements for Market Risk, Achmea uses the ’look-through approach’ as much as possible with respect to Collective Investment Undertakings (CIUs).

The table below presents the classification of CIU’s to its respective type.

COLLECTIVE INVESTMENT UNDERTAKINGS

€ MILLION

	2024	2023
Equity Funds	687	519
Debt Funds	402	454
Money Market Funds	3	2
Asset Allocation Funds	12	12
Real Estate Funds	805	673
Alternative Funds	0	0
Private Equity Funds	23	25
Infrastructure Funds	56	51
Other	2	-0
Total Investment Funds	**1,990**	**1,737**

The underlying assets of the Equity Funds are for 78% listed equity exposures (valuation hierarchy level 1). The economic value is calculated at the close of each business day based on the values of the underlying exposures. Equity funds comprised for € 518 million of Robeco Qi Customized Sustainable Emerging Markets Enhanced Index Equities Fund.

The Debt Funds and Asset Allocation Funds are not daily quoted in an active market (valuation hierarchy level 2). The largest exposure is to M&G Active Euro Loan Fund (€ 402 million). Asset Allocation Funds where the underlying value is not quoted on a stock exchange have valuation hierarchy level 3. Asset Allocation Funds comprise of Triodos Microfinance Fund (€ 12 million). Money Market Funds comprise of short term fixed investments for a total amount of € 3 million.

The Real Estate Funds are reported as valuation hierarchy level 4. Real Estate Funds mainly comprise of several funds managed by Achmea Real Estate B.V. (€ 726 million).

Private Equity Funds where the underlying value is not quoted on a stock exchange have valuation hierarchy level 3. Private Equity Funds mainly comprises of the LSP Health Economics Fund C.V. (€ 19 million). Infrastructure Funds mainly comprise of the Achmea IM Climate Infrastructure Fund (€ 56 million).

The value of the CIUs increased with € 253 million in 2024. This attributable to portfolio developments of € 121 million. Revaluations within the CIU’s were € 132 million. The portfolio developments are the result of the investment plan (expansion in equity) and the movement from direct property to indirect property, see D.1.4.1. Property other than own use.

Collective Investment Undertakings are recognised within the legal entities Achmea Pensioen- en Levensverzekeringen N.V. for € 1,208 million, Achmea Schadeverzekeringen N.V. for € 495 million, Zilveren Kruis Zorgverzekeringen N.V. for € 98 million, Achmea Reinsurance Company N.V. for € 59 million, Achmea Zorgverzekeringen N.V. for € 68 million, Interamerican Greece for € 17 million, DFZ Zorgverzekeraar N.V. for € 17 million, N.V. Hagelunie for € 15 million, FBTO Zorgverzekeringen N.V. for € 6 million, Interpolis Zorgverzekeringen N.V. for € 6 million and Union Poist’ovna A.S. for € 1 million.

D.1.4.6. DERIVATIVES

These instruments are valued at their economic value using the economic value hierarchy. Achmea holds derivatives for risk mitigation purposes.

The specification of the derivatives into the individual risk categories is as follows:

DERIVATIVES € MILLION

	2024		2023	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Interest Rate Derivatives	3,656	1,835	4,441	2,992
Currency Derivatives	6	67	35	22
Equity Derivatives	1	0	1	0
Credit Default Swaps	0	0	0	0
Other	49	2	56	3
Total Derivatives	3,712	1,903	4,532	3,017

The derivative portfolio is mainly held by the Dutch legal entities and for a small amount by the Greek legal entities. The interest rate derivatives are mainly held by Achmea Pensioen- en Levensverzekeringen N.V. for € 1,808 million and Achmea Schadeverzekeringen N.V. for € 11 million, which comprise plain vanilla interest rate swaps and swaptions. Net currency derivatives consists mainly of Achmea Pensioen- en Levensverzekeringen N.V. for €- 39 million, Achmea Schadeverzekeringen N.V. for €- 9 million, Achmea Reinsurance Company N.V. for €- 4 million, Zilveren Kruis Zorgverzekeringen N.V. for €- 5 million, Achmea Zorgverzekeringen N.V. for €- 2 million and DFZ Zorgverzekeraar N.V. for €- 1 million. Currency derivatives and a large part of the interest derivatives are classified as valuation hierarchy level 2, since the valuation techniques are based on market observable inputs. Achmea invests in interest rate and equity futures, which are presented under interest rate derivatives and equity derivatives respectively and are classified as fair value level 1, since these futures have a quoted price in an active market.

As part of the 'other' derivatives, Achmea includes the 'forward' parts of the mortgage saving insurance assets. This amounts to € 48 million. This classification is based on the Good practice and Q&A as issued by DNB on 1 September 2021. The mortgage saving assets are split into three components. An already build-up/paid-in part, which is classified according to the characteristics as either deposits, mortgages to individuals or as part of other investments. The second and third component are considered to be forward contracts and relates to future cashflows. These are presented as part of the 'other derivatives'. The notional amounts are assumed to be equal to the economic valuation of the cash flows. Depending on the guarantees obtained and whether a look through can be applied, the Risk-free interest rate is adjusted with a spread. The spread is derived from the market by referring to spreads related unsecured bonds with the same characteristics. The forward contracts related to mortgage savings are classified as valuation hierarchy level 3. In section D.4, Alternative methods for valuation, the method is explained in more detail.

In 2024, total net amount of derivatives (excluding collateral) increased by an amount of € 293 million. The increase was caused by portfolio developments of € 263 million mainly in Interest Rate Swaps. On a frequently basis Achmea determines whether the Interest Rate Risk is within the boundaries as set out in the Market Risk policy. Revaluations contributed € 30 million. A slight decrease in the swap interest rate (30 year: 2024 -19 bps, 2023 -17 bps), led to an increase in the value of the interest derivatives. This revaluation effect (€ 30 million) can be split in Interest Rate Swaps (€ 71 million), Swaptions (€ 21 million), Cross Currency Swaps (€ 6 million), Currency derivatives (€- 153 million), Interest Rate Futures (€ 50 million), Total Return Swaps (€ 34 million) and other (€ 1 million). The economic value of Currency derivatives decreased mainly due to a stronger US dollar against to the euro.

Achmea both has pledged and received collateral amounting to € 647 million and € 26,248 million respectively. A breakdown of the assets pledged/received is presented in the next table.

COLLATERAL

€ MILLION

	PLEDGED		RECEIVED	
	2024	2023	2024	2023
Cash	89	493	1,899	1,425
Government Bonds	557	637	1,386	1,693
Corporate Bonds	0	0	12	13
Equity Investments	0	0	693	855
Property	0	0	22,257	21,269
Total Collateral	**647**	**1,130**	**26,248**	**25,256**

COLLATERAL

€ MILLION

	PLEDGED		RECEIVED	
	2024	2023	2024	2023
On balance	89	492	1,898	1,424
Off balance	557	637	24,349	23,832
Total Collateral	**647**	**1,130**	**26,248**	**25,256**

The 2024 presented off-balance collateral received related to mortgages to individuals is the market value.

Achmea and its counterparties receive and pledge collateral as assurance for the economic values on interest rate swaps, swaptions, futures, security lending, Oken reinsurance arrangement (Canada RE) and loans and mortgages.

Achmea pledged € 557 million in government bond securities. The pledged collateral consists of Achmea Pensioen- en Levensverzekeringen N.V. (€ 501 million), Achmea Schadeverzekeringen N.V. (€ 44 million), Zilveren Kruis Zorgverzekeringen N.V. (€ 5 million), Achmea Reinsurance Company N.V. (€ 4 million), Achmea Zorgverzekeringen N.V. (€ 1 million), DFZ Zorgverzekeraar N.V. (€ 1 million) and N.V. Hagelunie (€ 1 million). Achmea pledged an on-balance cash collateral of € 89 million. The pledged cash collateral consists of Achmea Pensioen- en Levensverzekeringen N.V. (€ 85 million) Achmea Schadeverzekeringen N.V. (€ 2 million), Achmea Reinsurance Company N.V. (€ 1 million) and the Health entities (€ 1 million).

The on balance received cash collateral consist of Achmea Pensioen- en Levensverzekeringen N.V. (€ 1,886 million), Achmea Schadeverzekeringen N.V. (€ 11 million) and Achmea Reinsurance Company N.V. (€ 1 million). The off balance received cash collateral was € 0.7 million within Achmea Pensioen- en Levensverzekeringen N.V.

In general, the total net collateral increased from € 24,126 million in 2023 to € 25,601 million in 2024. The increase in received collateral mainly consist out of the mortgage portfolio and due to an increase in the security lending program.

The received off-balance collateral can be divided in the received collateral for the loans, mortgages (€ 20,361 million), security lending programme (€ 2,059 million), Rabobank savings (€ 1,896 million), derivatives (€ 20 million) and reinsurance arrangements (€ 13 million). The received collateral mainly consisted of Achmea Pensioen- en Levensverzekeringen N.V. (€ 20,407 million) and Achmea Schadeverzekeringen N.V. (€ 3,942 million).

D.1.4.7. DEPOSITS (OTHER THAN CASH EQUIVALENTS)

These assets are fixed income instruments where, given the short-term duration, the nominal value accumulated with accrued interest is deemed to be a good proxy for the economic value.

DEPOSITS - DURATION

€ MILLION

	2024	2023
Less than 1 month	222	114
Between 1 month and 3 months	74	76
Between 3 months and 1 year	22	52
More than 1 year	0	1
Other	357	385
Total Deposits	**675**	**628**

Achmea transfers the surplus on liquidities from insurance activities to short term deposits. Therefore, the exposure to deposits can deviate largely throughout the year. Exposure in deposits increased with € 47 million due to net recognition of € 53 million and revaluations of €- 6 million. Revaluations consists of €- 10 million foreign currency differences due to depreciation of the Turkish Lira and € 4 million due to decreased interest rates and tightening spreads.

As part of ’other’, Achmea has included the build-up/paid-in part of the mortgage saving assets where no guarantee is obtained from the counterparty. These are recognised within the legal entity Achmea Pensioen- en Levensverzekeringen N.V. for € 357 million.

The other deposits are recognised within the legal entities Eureko Sigorta A.S. for € 157 million, Achmea Schadeverzekeringen N.V. for € 57 million, Union Poist’ovna A.S. for € 38 million, Interamerican Greece for € 31 million, Zilveren Kruis Zorgverzekeringen N.V. for € 25 million and FBTO Zorgverzekeringen N.V. for € 10 million.

DEPOSITS - MORTGAGE SAVING ASSETS

€ MILLION

	2024	2023
Rabobank	338	365
Achmea Bank	16	17
NIBC	2	2
Other	0	0
Total Other Deposits	**357**	**385**

The economic value is determined based on the expected cash flows discounted with the risk-free interest rate adjusted with a credit spread. The credit spread is based on the unsecured bond spreads of instruments with similar risk characteristics.

D.1.4.8. OTHER INVESTMENTS

Some investments are not readily classified into one of the categories mentioned above. For these exposures Achmea uses the category ’Other investments’.

OTHER INVESTMENTS

	2024	2023
Saving mortgage Rabobank U.A.	2,014	2,213
Saving mortgage Achmea Bank N.V.	195	284
Non UCITS Investment Funds	830	679
Total Other Investments	**3,038**	**3,176**

Under Other investments, Achmea classifies the value of the ‘Build-up part’ related to mortgage saving products where Achmea has a (sub-) participation and where no look through is applied.

The mortgage saving products is a declining portfolio due to Dutch regulation. The Saving mortgage line items are recognised within the legal entity Achmea Pensioen- en Levensverzekeringen N.V. and decreased with € 288 million. This comprises mainly due to a net derecognition of € 302 million and an increase in the economic value due to decreasing interest rates of € 14 million.

Achmea classifies investment funds which do not meet the UCITS criteria in the balance sheet item 'Other Investments'.

The Non UCITS funds increased with € 151 million. This comprises mainly due to a net recognition of € 132 million and effects of changes in economic assumptions of € 18 million.

The NON UCITS Achmea Alternative Investments have a value of € 536 million (2023: € 392 million). The valuation of Achmea Alternative Investments is based on the adjusted equity method. Changes in economic assumptions of the underlying investments result in changes in the net asset value of the investment fund. Daily, Achmea receives prices based on the net asset value. Achmea determines that the price of the last business day of the month is processed in the administration. This valuation technique is classified under valuation hierarchy level 2.

Finally, there are several instruments reported as valuation hierarchy level 3. These are private equity investment funds, infrastructure investment funds or equity funds where the underlying value is not quoted on a stock exchange.

Non-UCITS funds are recognised within the legal entities Achmea Pensioen- en Levensverzekeringen N.V. (€ 714 million), Achmea Schadeverzekeringen N.V. (€ 55 million), Achmea Reinsurance Company N.V. (€ 25 million), Eureko Sigorta A.S. (€ 16 million), Zilveren Kruis Zorgverzekeringen N.V. (€ 7 million), N.V. Hagelunie (€ 5 million), Achmea Zorgverzekeringen N.V. (€ 3 million), Interamerican Hellenic Insurance Company S.A. (€ 2 million) and De Friesland Zorgverzekeraar N.V. (€ 1 million). FBTO Zorgverzekeringen N.V., Interpolis Zorgverzekeringen N.V. and Achmea Services N.V. also have Non-UCITS funds for a total amount together of € 1 million.

D.1.4.9. ASSETS HELD FOR INDEX LINKED AND UNIT LINKED FUNDS

Investments backing linked liabilities comprise mainly investments funding Unit Linked life insurance policies and investments to cover obligations under policies where the benefits are Index Linked (performance linked contracts or 'Gesepareerde beleggingsdepots' (GBD)). Investments presented under this category have the specific feature that the Market Risks associated with them have impact on the policyholders and are not for risk of Achmea. The assessment should be made against the host insurance contracts (without assessing any additional options and guarantees).

ASSETS HELD FOR INDEX LINKED AND UNIT LINKED FUNDS

€ MILLION

	PROPERTY (OTHER THAN FOR OWN USE)	HOLDINGS IN RELATED UNDERTAKINGS	EQUITIES	BONDS	COLLECTIVE INVESTMENTS UNDERTAKINGS
Closing Balance	**0**	**0**	**6,545**	**568**	**0**

ASSETS HELD FOR INDEX LINKED AND UNIT LINKED FUNDS

€ MILLION

	DERIVATIVES	DEPOSITS	LOANS & MORTGAGES	OTHER	TOTAL 2024	TOTAL 2023
Closing Balance	**186**	**217**	**0**	**757**	**8,273**	**8,096**

Exposure of assets held for Index Linked and Unit Linked funds increased with € 177 million mainly due to positive revaluations of the AIM funds due to the effect of increasing stock markets and decreasing interest rates on the underlying equity and fixed income securities.

ACHMEA PENSIOEN- EN LEVENSVERZEKERINGEN N.V.

€ MILLION

	2024	2023
Achmea IM Funds management	6,566	6,343
GBD investments	760	776
Non UCITS equities (within GBD)	757	789
Closing balance	**8,083**	**7,908**

FOREIGN ENTITIES

€ MILLION

	2024	2023
Equities	190	188
Closing balance	**190**	**188**

Interamerican Hellenic Insurance Company S.A. had in total investments in these categories for € 180 million (2023: € 179 million) and Union Poist'ovna A.S. for € 10 million (2023: € 9 million), both invested in equities.

D.1.4.10. LOANS AND MORTGAGES

Loans and mortgages are valued at their economic value using the economic value hierarchy. Within this category, Achmea includes the build-up part of the mortgage saving products which are guaranteed by cession/retrocession arrangements.

As part of the Mortgages to individuals, Achmea has included the mortgage saving products where Achmea has obtained a cession contract from the counterparty. Mortgage saving products where Achmea has obtained a cession contract resulting in mortgages transferred in the event the counterparty defaults, are presented as part of the Loans and Mortgages. The cash flows related to the built-up/already paid-in component are discounted using the risk-free interest rate. Following the look-through approach due to the cession contract, the counterparty of these assets are the individual policyholders. With respect to these policyholders, Achmea has similar insurance liabilities presented. The insurance policies are legally collateralised and additionally used to cover any default risk of the individual asset in excess of the mortgage value.

LOANS AND MORTGAGES

	2024	2023
Loans on policies	5	6
Loans and mortgages to individuals	11,556	11,508
Other Loans and Mortgages	1,785	1,703
Loans	1,785	1,703
Mortgages	0	0
Other	0	0
Total Loans and Mortgages	**13,345**	**13,216**

For an overview of the Loans and mortgages of the Dutch (re)insurance entities we refer to appendix 4.Achmea Pensioen- en Levensverzekeringen N.V. has € 12,095 million of the € 13,345 million in investments. This mainly consists of investments in loans and mortgages to individuals of € 10,323 million and other loans of € 1,772 million.

The mortgage loans are included for an amount of € 5,650 million in 'Investment Related Undertakings (IRU)' which are controlled by Achmea Pensioen- en Levensverzekeringen N.V. Achmea Pensioen- en Levensverzekeringen N.V. owns 95% of the mortgages within Achmea Woninghypotheken B.V. (€ 3,161 million), 100% of Achmea Woninghypotheken II B.V. (€ 1,879 million), 25% of Achmea Woninghypotheken III B.V. (€ 324 million), 100% of Stichting Tellius Hypothekenfonds (€ 255 million), Achmea Dutch Mortgage Fund – Sub Fund NHG/Low LTV (€ 18 million) and Achmea Dutch Mortgage Fund – Sub Fund Non-NHG (€ 14 million).

The other mortgages portfolio to individuals from Achmea Pensioen- en Levensverzekeringen N.V. consist of two portfolios: CB Leef (€ 1,579 million) and mortgage saving products where Achmea Pensioen- en Levensverzekeringen N.V. has obtained a cession contract from the counterparty (€ 3,093 million).

The Loans and Mortgages of Achmea Schadeverzekeringen N.V. consist of € 1,232 million of Loans and Mortgages to individuals. The mortgage loans are included for an amount of € 1,137 million in 'Investment Related Undertakings (IRU)' which are controlled by Achmea Schadeverzekeringen N.V. Achmea Schadeverzekeringen N.V. owns 5% of the mortgages within Achmea Woninghypotheken B.V. (€ 166 million) and 75% of Achmea Woninghypotheken III B.V. (€ 971 million). The other mortgage portfolio to individuals from Achmea Schadeverzekeringen N.V. consist out of the CB Schade portfolio (€ 95 million).

The loans portfolio comprises mainly the following components: 'Waarborgfonds Sociale Woningbouw' (WSW) Loans (€ 716 million, 2023: € 746 million), Private Placements (€ 417 million, 2023: € 341 million), ECA loans (€ 429 million, 2023: € 338 million), Senior real estate debt (€ 209 million, 2023: € 264 million) and Other loans (€ 13 million, 2023: € 14 million). WSW loans are investments in loans to housing associations guaranteed by WSW. Weighted average maturity date of the loans in WSW portfolio is February 2042. The senior real estate debt and WSW loans are mainly held by Achmea Pensioen- en Levensverzekeringen N.V.

The increase in value of the mortgages portfolio to individuals can be attributed to an overall decrease in discount rates due to decreasing interest rates, despite a derecognition. The weighted average coupon rate increased due to new production on mortgages. Adjustment of the constant repayment rate to 4.41% (until 2024 Q3: 4.55%).

LOANS TO VALUE

€ MILLION

	2024	2023
< 80%	7,712	7,335
80% - 100%	661	808
> 100%	88	172
Total	**8,461**	**8,315**

The amount of the Loans to value (LTV) reconciles with the mortgages to individuals excluding mortgage saving products where Achmea Pensioen- en Levensverzekeringen N.V. has obtained a cession contract from the counterparty (€ 3,093 million).

The loans to value (LTV) ratio expresses the ratio of a loan to the value of an asset purchased. The higher the ratio, the riskier the loan is for Achmea. The increase in the category < 80% can be mainly contributed to the increase in indexed value of the collateral and repayment off mortgage loans and thereby moving into a lower class. In the table above only mortgage loans are included.

D.1.5. DEPOSITS TO CEDANTS

These instruments are valued at their economic value using the economic value hierarchy. These assets are not rated and are valued using a ’discounted cashflow’ method using the discount rate for non-insurance assets and liabilities. This discount rate is adjusted with a credit spread based on either market observable information or prior published solvency ratios.

DEPOSITS TO CEDANTS

€ MILLION

	2024	2023
Opening balance	**12**	**13**
Other	-1	-2
Closing balance	**10**	**12**

The deposits to cedants consist of Achmea Reinsurance Company N.V. and Achmea Schadeverzekeringen N.V.

D.1.6. RECEIVABLES

Receivables are measured at their economic value including the adjustment for expected default of the counterparty.
Receivables from direct insurance (policyholder receivables) which are not due are not included in Receivables as they are still included in the Best Estimate cashflows of the insurance obligations.
Under Other Achmea has included cash provided to counterparties as cash collateral. These assets are not directly on demand for Achmea.

RECEIVABLES

€ MILLION

	2024	2023
Receivables from direct insurance	1,027	736
Contribution from Dutch health insurance fund	1,879	1,693
Receivables on reinsurance	4	11
Investment receivables	160	430
Prepayments to healthcare providers	979	821
Receivables from healthcare providers	140	170
Other	199	284
Total	**4,386**	**4,145**

The contribution from the Dutch Health Insurance Fund includes the current account of Zorginstituut Nederland (ZIN). The current account ZIN mainly consists of the ex-ante budget contribution to be received from ZIN and the claims in relation to ZIN. The balance of these two items mainly concerns a timing difference: ZIN pays the budget spread over 24 months, while Achmea Zorgverzekeringen N.V. processes this in 12 months in the result and current financial account. With this chosen payment frequency ZIN is trying to follow the actual claims declaration flow.

Following the Solvency II principles, receivables are in principle discounted. However, receivables with a payment term less than three months are not discounted (proportionality reasons). This concerns the prepayments to hospitals, to mental healthcare institutions and other healthcare providers.

The paid amounts above contractual agreements with healthcare providers are presented as part of the receivables. These receivables are discounted with a duration that has been set at 3 years from the year in which the claim occurred.

In case of a negative net position, where the prepayments to healthcare providers are higher than the financial obligations, the prepayments should not only be discounted with the risk free curve for the non-insurance assets, but a surcharge is calculated. The related prepayments are discounted with the risk free curve for the non-insurance assets and a surcharge reflecting the adjustment for expected default is added.

The Other receivables are expected to be recovered within 3 months after reporting date. The current carrying amount is a reasonable approximation of the economic value.

Please note that the Reinsurance recoverables are described as part of the Technical Provisions.

D.1.7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash, bank balances and call deposits. This asset category is valued at the nominal amounts.

Cash provided as cash collateral is not included as part of Cash and cash equivalents but is included as Other receivables.

CASH AND CASH EQUIVALENTS € MILLION

	2024	2023
Cash and bank balances	666	1,056
Total	**666**	**1,056**

Cash and cash equivalents are mainly held with counterparties with an A / AA rating.

D.1.8. OWN SHARES

The valuation of the Own shares will be based on their economic value using the valuation hierarchy. For the shares of Achmea no quoted price in an active market is available.

Achmea uses the net adjusted equity value as the basis for the valuation of the Own shares. The adjusted equity value following the consolidated Balance Sheet from Achmea is the basis (excluding subordinated liabilities). This basis will be recalculated to resemble 100% of the shares. Achmea’s holding of the own shares will then be calculated. In this calculation, the economic value of the preference shares should be subtracted.

D.1.9. ANY OTHER ASSETS

All other asset balance sheet entries are presented under this heading. This includes Prepayments (not related to Investments or Investment property).

Other assets are measured at their economic value. Achmea considers the value as presented in the IFRS Financial Statements to be a good proxy for this economic value.

ANY OTHER ASSETS

€ MILLION

	2024	2023
Prepayments and accrued income	220	182
Other assets	0	-0
Total	**220**	**182**

Prepayments and accrued income includes accrued commission costs. The term is less than one year.

Any other assets are recognised within all legal entities. For the main contribution to Any other assets we refer to Appendix 4.

D.2. TECHNICAL PROVISIONS

PARAMETERS SET BY EIOPA AND KEY ASSUMPTIONS USED BY ACHMEA

Basic risk-free interest rate term structure

When determining the Best Estimate of the (re-)insurance liabilities Achmea has to use the Risk-free interest rate as endorsed by the European Commission in an Implementing Act. This Risk-free interest rate is based on information as provided by EIOPA.

Achmea uses the following RFR:

RISK FREE INTEREST RATE

CURRENCY	CURVE	CREDIT RISK ADJUSTMENT	LAST LIQUID POINT	CONVERGENCE POINT	ULTIMATE FORWARD RATE
Euro	Swap	10 bps	20	60	3.30%
TLira	Swap	35 bps	9	60	5.35%

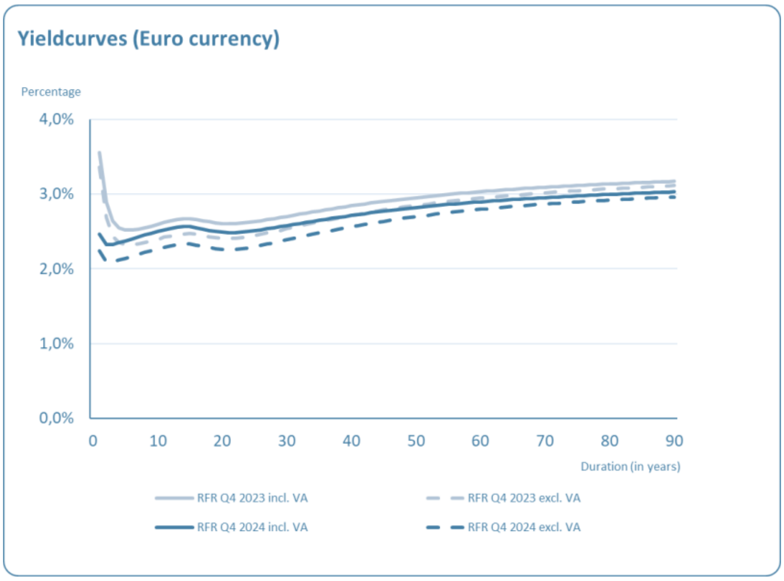
The methodology for deriving the relevant Risk-free interest rate 2024 and the underlying assumptions have not changed compared with 2023 year-end. One of the major underlying assumptions is the use of the UFR. Currently, an UFR for the euro of 3.30% is used (2023: 3.45%).

Volatility adjustment

Achmea uses the VA when determining the Best Estimate of several insurance portfolios stemming from underlying legal entities. The VA adjusts the relevant Risk-free Interest Rate used by Achmea. Based on the Risk Profile, duration of Technical Provisions or proportionality reasons the VA is applied or not.

The VA for the euro at year-end was determined by EIOPA at 23 bps (2023: 20 bps).

Graphically the following discount rates were used for in euro denominated Technical Provisions and directly related assets:



Risk Margin

The Risk Margin of the individual entities within Achmea is calculated by determining the cost of providing an amount of EOF equal to the SCR necessary to support the insurance and reinsurance obligations over the lifetime thereof. The rate used in the determination of the cost of providing that amount of EOF is called Cost-of-Capital rate. This rate is set at 6% by the Solvency II legislation. Within the individual entities the projection of the SCR is based on the ‘approximation approach’. For this purpose, the entities use appropriate risk drivers like projected present values of future cash outflows (for portfolios with Longevity Risk), projected risk capitals (for portfolios with Mortality Risk) or premiums.

The Capital Requirement is calculated based on the relevant Risk-free interest rate excluding VA. The Risk Margin of Achmea Group is equal to the sum of the Risk Margin of the individual legal entities before elimination of the intercompany positions.

BUSINESS SPECIFIC PARAMETERS AND ASSUMPTIONS USED

BEST ESTIMATE

Contract boundary

The contract boundary represents the end of the insurance contract based on an economic perspective. The contract boundary is that point in time where a changed risk profile of the insurance contracts can result in a change in premiums or benefits payable to the policyholder.

Health insurance contracts

For the Dutch health insurance contracts, valued according to Non-Life actuarial techniques (NSLT), the contract boundary has been determined to be one year. Within the Health policies in Türkiye the contract boundary is equal to the contractual end-date.

For the Dutch health contracts which are valued according to SLT techniques (SLT) the contract boundary is for the Employee Portfolio ('WIA') in general one year. For the Individual Disability Insurance ('AOV') the complete maturity of the contract till the contractual agreed age has been taken into account.

In general the Employee portfolio ('WIA') has a legal contract term of one year. In some cases the legal term exceeds one year. These contract consists in three forms. At first, when Achmea has an unlimited ability to change the premium and conditions during the contract term, the contract boundary is still considered to be one year. Second, when Achmea has the ability to change the premium and conditions during the contract term only if the actual cost of claims exceed 110% of the expectation, an additional risk is taken into account. Third, there are Employee insurance contracts where the legal term exceeds one year and Achmea has no ability to change the premium; the contract boundary then lasts until the end date of the contract term.

Non-life insurance contracts

For the Non-Life insurance contracts including SLT Health, the majority of the contracts has a contract boundary of one year, besides a few specific exceptions in the Netherlands, for those insurance contracts the contractual maturity is used as contract boundary. The covers bundled with Motor policies in Greece have a clearly described duration. There are no commitments to extend the policy at a certain price. Within Marine (transportation) policies in Türkiye single shipment policies insure a single shipment for the time shipment takes and the contract boundary is assumed to be three months.

Life insurance contracts

In general the contract maturity is used as contract boundary. For group contracts in the Netherlands the contract boundary restraint is used. Only the premiums till the end of contract date are taken into account in the calculations of the liabilities. Riders attached to the Life insurance host contract have generally the same duration as the host life insurance contract. For the Dutch mortgage saving life insurance product ('spaarhypotheken') the contract boundary will be derived by the terms and conditions as embedded in the contracts. The interest rate reset point will not act as a cut off point for a Life insurance component to derive their specific contract boundary.

Unit Linked contracts

In general the contract maturity is used as contract boundary.

Life insurance and SLT health insurance: mortality tables

The Netherlands

For mortality / morbidity within Achmea Pensioen- en Levensverzekeringen N.V. the assumptions combine an assumption for general population mortality (AG2024 as published by the Dutch Royal Actuarial Association in September 2024) adjusted with an assumption for portfolio specific experience mortality rate (derived from Achmea Pensioen- en Levensverzekeringen N.V. experience rate mortality investigation as conducted in 2024) to allow for different mortality in the own portfolio. For mortality products (risk life products) industry wide statistics are not available. Therefore, the mortality experience rates are investigated and determined directly on observed rates from Achmea's Pensioen- en Levensverzekeringen N.V. own portfolio. Every year the staff department Insurance Risk of Achmea Pensioen- en Levensverzekeringen N.V. proposes experience adjustments on the Dutch population mortality tables to allow for the difference in mortality between the specific population of the insurance portfolios of Achmea

Pensioen- en Levensverzekeringen N.V. towards the general population of the Netherlands. Experience rate factors are derived by comparing the observed mortality in the specific population to the general population.

Within Achmea Schadeverzekeringen N.V. the provision for periodic claim payments AOV, WIA and WAO is calculated on a case-by-case based cash-flow method using mortality, transition and recovery probabilities. The AOV recovery probabilities are entirely calibrated on experience data of Achmea. The cash flows are discounted with the prescribed relevant Risk-free interest rate (including VA) of 31 December 2024. For the WIA recovery probabilities and transition rates between WIA regimes the ‘Verbondsmodel 2019’ is used, where the level of the rates is calibrated based on experience data of Achmea. The Employee portfolio WAO is in run-off.

Greece

In Greece, the mortality Best Estimate assumptions are derived by an investigation carried out separately for males and females for all ages, and for protection and saving business. The assumption is expressed as a percentage of the GR2005 tables. The mortality Best Estimate assumptions for Traditional and UL Individual business are derived by an investigation carried out for the period 2008-2023. For Group business, the investigation has been carried out for the period 2008-2023.

Slovakia

On a regular basis Slovakia performs a mortality analysis by comparing the expected mortality and the actual mortality. The experienced mortality for the Union portfolio, which is based on the Slovak population mortality rates 1990-1994 or 1995-2003 depending on specific products, remained stable at 25% in 2024 (2023: 25%). For the former Poštová Poist’ovna portfolio the expected mortality, based on Slovak population mortality rates 2012-2019, has been updated in comparison to 2023:

- 50% (year 1-5), 80% (year 6+) for traditional insurance (unchanged).
- 50% (year 1-5), 65% (year 6+) for Unit Linked insurance (unchanged).
- 35% (year 1-5), 60% (year 6+) for risk insurance (2023: 50% and 60% respectively).
- 10% (year 1), 60% (year 2-5), 65% (year 6+) for funeral insurance, products PPN1-4 (2023: 10%, 50% and 75% respectively).
- 95% (year 1-2), 110% (year 3-5), 100% (year 6+) for funeral insurance, products PPN5-7 (2023: 80%, 100% and 80% resp.).
- 40% (year 1-5), 60% (year 6+) for children insurance (unchanged).
- 30% (year 1), 50% (year 2+) for CPI (2023: 20% and 55% respectively).
- 20% (year 1), 55% (year 2+) for CPI SSD, ZINC (unchanged).
- 35% for mortgages and other products (2023: 40%).
- 50% for other products (unchanged).

Expense assumptions

The Netherlands

The basis for the expense assumptions of Achmea Pensioen- en Levensverzekeringen N.V. is the business plan for the period 2025-2027. The business plan was approved by the Board. The expense level of 2027 is the basis for the expense projection after the year 2027 for both Life and Pension products.

The investment expenses of Achmea Pensioen- en Levensverzekeringen N.V. are calculated as the value of 9.05 bps per year (2023: 10.0 bps) over the Best Estimate liabilities and the Risk Margin. For life products the investment expenses of the Unit Linked portfolio is based on the agreed investment expenses for the investment funds. For pension products the investment expenses of the Unit Linked portfolio is the total expenses of the investment manager multiplied by a duration factor.

The Best Estimate provision for claim handling expenses of Achmea Schadeverzekeringen N.V. is determined on the basis of the paid-to-paid methodology. This implies that the incurred claims handling per calendar year is expressed as a percentage of the claim payments. These are then multiplied by the provision for periodic claim payments.

Greece

The expenses used are based on budget 2026 figures, allowing for future expense inflation. Based on the endorsed budget figures an expense study has been performed in 2023 in order to refine the allocation of expenses between lines of business. The calculation of the Best Estimate expense assumption 2024 is based on the expense allocation 2023 indexed with one year of inflation. The expense assumptions are taking into account all claims handling and investments handling expenses. The per policy expenses are split between maintenance and acquisition costs.

Slovakia
Expenses are split into back office and front office, where front office expenses (acquisition costs) are treated as initial costs and back office expenses (administration costs) as renewal costs. As of 2022 a new allocation of costs within the company has been implemented by the finance department. This considers also the former Poštová poisťovna portfolio. Ultimo 2023 the costs assumptions have been updated and expenses have decreased generally for most segments. Ultimo 2024 the costs assumptions of 2023 have been used, adjusted by the observed actual inflation during 2024.

Türkiye
The expenses are allocated to distribution channels, products and lines of business based on predefined allocation keys. The allocation keys per expense type are determined based on an allocation study. The allocation of the expenses are carried out on a quarterly basis.

Lapse assumptions

The Netherlands
The lapse assumptions used by Achmea Pensioen- en Levensverzekeringen N.V. are based on a yearly lapse investigation, which is carried out for the life products and for the pension products. The Lapse research is done on product Group level. A distinction has been made between surrender and paid up. No relevant assumptions have been made about policyholder behaviour within Achmea Zorgverzekeringen N.V. Every policyholder (and Achmea Zorgverzekeringen N.V.) is basically bound by its contract until year-end. The exceptions (e.g. due to death or movement to a foreign country) lead to a lapse that is negligible.

Greece
The lapse assumptions are determined by taking into account the previous years' lapse experience. The most recent lapse study of April 30th, 2024 is used. The assumptions are determined per homogeneous risk group or per product where appropriate.

Slovakia
Union Poist'ovna A.S. calculates lapse rates on a quarterly basis. Calculation is segmented into contract type - frequency of premium – distribution channel combination. Lapse rates in first, second and third policy year are based respectively on last 4, 5 and 6 years' experience. For all other policy years (4+) all historical data are used. Single premium contracts have an exception due to low volume. All historical data is used also for 1st to 3rd policy year and for other policy years there is just one lapse rate calculated; it is a weighted average of lapse rates in remaining years (4+). This is to avoid high fluctuation in higher policy years.

Türkiye
The lapse assumptions are based on the annual business plan. The previous year lapse experience is taken into account in a yearly lapse study.

Inflation assumptions

The Netherlands
Achmea Pensioen- en Levensverzekeringen N.V. uses an inflation curve to project the expenses in the Technical Provision. At the end of 2024, an inflation rate curve based on the European price inflation is used, adjusted with 0.10%-pt (2023: 0.05%-pt). The adjustment is a fixed charge for the difference between the Dutch and European inflation and is based on the historical difference in de last 20 years. In addition, - 0.2%-pt is corrected as Achmea Pensioen- en Levensverzekeringen N.V. follows the theory that wage inflation consists of price inflation and a correction for labour productivity growth. The correction is based on the assumption that since this century, wage developments have been structurally lagging behind labour productivity growth. It is estimated that approximately 75% of the costs are wage-related and that only a part of the intended benefit can be realised. The inflation curve includes an Ultimate Inflation Forward Rate of 2.0% (ECB target). As a result, inflation will increase to 1.90% (2.0% + 0.10% - 0.2%). The impact of applying the whole inflation rate curve is equivalent to a flat-rate inflation of 1.83% (2023: 2.17%) for all maturities.

Within Achmea Schadeverzekeringen N.V. the inflation rate curve is based on the European price inflation, adjusted with 0.1%-pt (2023: 0.1%-pt) for Dutch price related cash flows and with 0.20%-pt (2023: 0.19%-pt) for wage related cash flows. The adjustment is a fixed charge for the difference between Dutch and European inflation and is based on the historical difference in the last 20 years. Achmea Schadeverzekeringen N.V. applies also (in line with Achmea Pensioen- en Levensverzekeringen N.V.) a correction of -0.2%-pt (2023: -0.2%-pt) for lagging wage developments structurally behind labour productivity growth and also takes into account an Ultimate forward inflation rate (UFIR) of 2% (ECB target).

For Dutch health insurance the higher inflation led to an increase in the amount of expected claims. The healthcare inflation in the Netherlands has been taken into account in the premiums set for 2024.

Greece

For long term hospitalisation products an excess inflation on top of the Best Estimate medical inflation assumption is taken into account for the business plan years to reflect the high inflation environment. The inflation rate applied to future maintenance expenses per policy is determined by the EUR Inflation swap based on Eurostat as published by Bloomberg. A country margin and a salary margin have been applied. The EUR inflation swap is updated quarterly and the margins annually.

Slovakia

The expense inflation assumption has been updated at the end of 2024. Although the inflation assumption for the nearest years has increased, in the long term it is stable, 2025: 4.84% (4.26%); 2026: 4.05% (2.14%), 2027: 3.10% (2.14%), 2028 and afterwards: 2.12% (2.14%).

Türkiye

The Turkish Non-Life insurance continues to suffer from the hyperinflationary environment, impacting prices and financial reserves.

D.2.1. TECHNICAL PROVISIONS ACHMEA GROUP

In the following table the gross Technical Provisions of Achmea Group are presented, including a specification to the several entities within the group. The gross Technical Provisions are excluding intercompany positions with the exception of the Risk Margin.

TECHNICAL PROVISIONS ACHMEA GROUP (EXCLUDING INTERCOMPANY) € MILLION

2024	BEST ESTIMATE	RISK MARGIN	GROSS TECHNICAL PROVISIONS	REINSURANCE RECOVERABLES	NET TECHNICAL PROVISIONS
Achmea Pensioen- en Levensverzekeringen N.V.	32,106	1,247	33,353	28	33,325
Achmea Schadeverzekeringen N.V.	5,502	305	5,806	165	5,641
N.V. Hagelunie	53	4	57	-0	57
Achmea Reinsurance Company N.V.	60	23	83	367	-283
Achmea Zorgverzekeringen N.V.	126	15	141	0	141
Zilveren Kruis Zorgverzekeringen N.V.	3,078	119	3,197	0	3,197
FBTO Zorgverzekeringen N.V.	546	21	567	0	567
Interpolis Zorgverzekeringen N.V.	154	6	160	0	160
De Friesland Zorgverzekeraar N.V.	443	19	463	0	463
Union Poist'ovna A.S.	124	6	129	5	124
Eureko Sigorta A.S.	413	29	442	221	221
Interamerican Hellenic Insurance Company S.A.	776	25	802	42	759
Interamerican Assistance Insurance Company S.A.	7	1	7	0	7
Total	**43,387**	**1,821**	**45,207**	**828**	**44,379**

TECHNICAL PROVISIONS ACHMEA GROUP (EXCLUDING INTERCOMPANY) € MILLION

2023	BEST ESTIMATE	RISK MARGIN	GROSS TECHNICAL PROVISIONS	REINSURANCE RECOVERABLES	NET TECHNICAL PROVISIONS
Achmea Pensioen- en Levensverzekeringen N.V.	32,305	1,233	33,538	40	33,498
Achmea Schadeverzekeringen N.V.	5,161	258	5,419	120	5,299
N.V. Hagelunie	74	4	78	-0	78
Achmea Reinsurance Company N.V.	87	25	112	283	-172
Achmea Zorgverzekeringen N.V.	112	14	126	0	126
Zilveren Kruis Zorgverzekeringen N.V.	3,060	111	3,171	0	3,171
FBTO Zorgverzekeringen N.V.	290	16	306	0	306
Interpolis Zorgverzekeringen N.V.	147	6	153	0	153
De Friesland Zorgverzekeraar N.V.	397	17	414	0	414
Union Poist'ovna A.S.	115	6	121	5	115
Eureko Sigorta A.S.	512	28	539	389	150
Interamerican Hellenic Insurance Company S.A.	789	25	814	36	778
Interamerican Assistance Insurance Company S.A.	4	1	5	0	5
Total	**43,053**	**1,743**	**44,796**	**873**	**43,923**

D.2.2. TECHNICAL PROVISIONS NON-LIFE (EXCLUDING HEALTH)

TECHNICAL PROVISIONS – NON-LIFE (EXCL. HEALTH)

€ MILLION

	2024	2023	Δ
Best Estimate	4,070	4,081	-11
Risk Margin	203	176	27
Total Gross technical provisions	**4,273**	**4,257**	**16**

BEST ESTIMATE NON-LIFE (EXCL. HEALTH)

€ MILLION

	2024	2023	Δ
Gross Best Estimate premium provision	335	323	11
Gross Best Estimate claim provision	3,735	3,758	-22
Total Best Estimate Non-Life	**4,070**	**4,081**	**-11**

The net decrease of the Best Estimate of € 11 million is mainly due to developments within Achmea Schadeverzekeringen N.V. (€ 135 million), N.V. Hagelunie (€- 20 million), Achmea Reinsurance Company N.V. (€- 41 million), Interamerican Hellenic Insurance Company S.A. (€- 18 million), Union Poist'ovna A.S. (€ 8 million) and Eureko Sigorta A.S. (€- 100 million).

The increase within Achmea Schadeverzekeringen N.V. occurs within Motor Vehicle liability, largely explained by the additions for bodily injury and the reversal of the interest rate used for the settlement of bodily injury claims, within Motor Other due to many more payments than expected and within Third-Party liability. This increase is partially offset by a significantly lower claims provision mainly within the Fire portfolio, as there have been fewer (large) claims reported than expected, and no calamities have occurred.

Within N.V. Hagelunie the decrease is mainly due to a lower combined ratio and lower-than-expected claims burden in claim year 2024.

The decrease within Achmea Reinsurance Company N.V. is mainly due to the decision to stop the third party reinsurance business Non-Life.

The decrease in the Best Estimate of Interamerican Hellenic Insurance Company S.A. is driven by the decrease of interest rates and current year's claims development.

The increase in the Best Estimate of Union Poist'ovna A.S. is mainly due to current year's claims development.

The decrease within Eureko Sigorta A.S. (€- 100 million) consists of two major movements. The Best Estimate decreased by € 61 million due to higher interest rates (in the first years from 39% to 42%) and foreign exchange rate changes (EUR:TRY from 32.59 to 36.62). The Best Estimate decreased due to portfolio growth (€ 43 million premium provision) and settlement of claims due to the major earthquake in 2023 (€- 83 million claims provision).

The Risk Margin increased by € 27 million and is mainly caused by Achmea Schadeverzekeringen N.V. (€ 27 million), Achmea Reinsurance Company N.V. (€- 1 million) and Eureko Sigorta A.S. (€ 1 million) in line with the underlying risks.

D.2.3. TECHNICAL PROVISIONS HEALTH NSLT

TECHNICAL PROVISIONS – HEALTH (NSLT)

€ MILLION

	2024	2023	Δ
Best Estimate	4,727	4,346	381
Risk Margin	188	171	17
Total Gross technical provisions	**4,915**	**4,517**	**398**

BEST ESTIMATE HEALTH NLST

€ MILLION

	2024	2023	Δ
Gross Best estimate Premium provision	1,127	858	269
Gross Claim provision	3,600	3,488	112
Total Best Estimate Health NSLT	**4,727**	**4,346**	**381**

Premium Provision

The Best Estimate premium provision increased within the Dutch Health insurance entities by € 271 million due to lower expected result as expected claims increase. Within Achmea Schadeverzekeringen N.V. the premium provision decreased by € 3 million due to volume changes and adjustments to the expected Combined Ratio.

Claim Provision

The Best Estimate claim provision decreased mainly caused by developments within the Dutch Health insurance entities. The Best Estimate Claim Provision increased by € 70 million, including a decrease in the amount of expected ex post contribution to be paid by € 38 million. The total expected claim amount for accident year 2024 (at FYR 2024) was 13% higher than for accident year 2023 (at FYR 2023) due to an increase in the number of insured in 2024 and an increase in the health care costs per insured in 2024. This is reflected in the increase of the Best Estimate Claim Provision. In the claims management process there is a visible acceleration in the receipt and/or processing of claims, for mental health care in particular. At FYR 2024 18% (FYR 2023: 19%) of the total claim amount of accident year 2024 was still outstanding.

The remaining development in claim provision is mainly caused by Achmea Schadeverzekeringen N.V. (€ 29 million) and Interamerican Hellenic Insurance Company S.A. (€ 10 million). The increase in claim provision is due to absenteeism portfolio (€ 17 million) and Motor Personal Indemnity portfolio (’SVI’) portfolio (€ 12 million). The Increase in claim provision of the absenteeism portfolio is due to increasing claims costs for the claim years 2022 to 2024. This is mainly due to increasing disability duration. The SVI portfolio increased mainly due to the reversal of the interest rate used for the settlement of bodily injury claims (in Q4 2023, this was in the other provisions and not allocated to SII-LOB). The increase within Hellenic Insurance Company S.A. is due to portfolio developments.

The Risk Margin increased in 2024 by € 17 million and is due to the increase of the Risk Margin within the Dutch Health insurance entities (€ 17 million). These increases are all related to the increase in health care costs and the corresponding premium.

D.2.4. TECHNICAL PROVISIONS HEALTH SLT

TECHNICAL PROVISIONS – HEALTH (SLT)

€ MILLION

	2024	2023	Δ
Best Estimate	2,062	1,886	176
Risk Margin	169	150	19
Total Gross technical provisions	**2,231**	**2,037**	**195**

In 2024, the gross provision for Health SLT increased by € 176 million.

This is mainly due to changes in economic assumptions and revaluation of the portfolios (WIA and AOV) within Achmea Schadeverzekeringen N.V. (€ 173 million).

Within Interamerican Hellenic Insurance Company S.A., the Best Estimate increases € 7 million. This increase is mainly caused by changes of the non-economic assumptions for lapses, expenses and mortality.

The Risk Margin increased by € 19 million mainly due to Achmea Schadeverzekeringen N.V. in line with the increase in the underlying capital requirements based on the underlying Line of Business risk capital allocation method. The impact within the other entities was not material.

D.2.5. TECHNICAL PROVISIONS LIFE

TECHNICAL PROVISIONS – LIFE (EXCL. HEALTH AND UNIT LINKED)

€ MILLION

	2024	2023	Δ
Best Estimate	24,547	25,243	-696
Risk Margin	1,218	1,210	8
Total Gross technical provisions	**25,766**	**26,454**	**-688**

Due to the change in the economic assumptions the Technical Provisions increased by € 980 million. This includes the impact of the decreased yield curve and the change in volatilities, which has an impact on the Time Value of Options and Guarantees (TVOG).

The change due to the non-economic assumptions includes mortality, lapse, expense and investment expense assumptions:

- The impact of changes in persistency and expense assumptions in Greece and Slovenia was an increase of € 3 million.
- The change of mortality assumptions in the Netherlands decreased the Best Estimate with € 45 million. This includes the yearly update of the mortality experience rates based on the Achmea portfolio, the update of the partner frequencies and the update of the uniform age difference. This year there was also an update of the mortality table as published by the Dutch Royal Actuarial Association. Lapse assumptions were updated, leading to an increase in the Best Estimate of € 2 million.
- Regular updates of the expense assumptions had an increasing impact of € 20 million. At the end of 2024, an inflation rate curve based on the European price inflation and an Ultimate Forward Inflation Rate of 1.90% is used to project the expenses. The inflation curve decreased in 2024, because of this there was a decrease in Best Estimate Life of € 35 million. The investment expense assumptions decreased to 9.5 bps (2023: 10.0 bps). This leads to a decrease of the Best Estimate with € 12 million.The Best Estimate decreased by an amount of € 95 million mainly due to methodology change in the calculation of outside adjustments now based on cashflow projections. There were also improvements with a small impact in the valuation models.

Portfolio developments include differences between actual and expected (portfolio) developments and the addition of new business. Due to portfolio developments the Best Estimate increased by € 496 million. The increase is mainly due to the new business and the experience on lapse, less lapse than expected.

The Risk Margin for the traditional Life portfolio has increased in 2024 by € 8 million. The changes were caused by developments within Achmea Pensioen- en Levensverzekeringen N.V. (€ 8.8 million), Interamerican Hellenic Insurance Company S.A. (€- 0.3 million) and Union Poist'ovna A.S. (€- 0.2 million).

D.2.6. REINSURANCE RECOVERABLES

D.2.6.1. REINSURANCE RECOVERABLES NON-LIFE (EXCLUDING HEALTH)

REINSURANCE RECOVERABLES – NON-LIFE (EXCL. HEALTH)

€ MILLION

	2024	2023	Δ
Recoverables reinsurance premium provision	75	35	39
Recoverables reinsurance claim provision	309	514	-205
Total reinsurance recoverables Non-Life	**383**	**549**	**-166**

The decrease of the Reinsurance Recoverables is mainly caused by the developments within Achmea Reinsurance B.V. and Eureko Sigorta A.S. as a result of decreasing effect of the earthquakes in Türkiye. The effect of changes in economic assumptions refers to the overall effect of the change of the yield curve and currency effects of the Turkish Lira within Eureko Sigorta A.S.

D.2.6.2. REINSURANCE RECOVERABLES HEALTH NSLT

REINSURANCE RECOVERABLES HEALTH NLST

€ MILLION

	2024	2023	Δ
Recoverables reinsurance Premium provision	1	0	1
Recoverables reinsurance Claim provision	1	1	-0
Total reinsurance recoverables Health NSLT	**2**	**2**	**1**

D.2.6.3. REINSURANCE RECOVERABLES – HEALTH SLT

REINSURANCE RECOVERABLES HEALTH SLT

€ MILLION

	2024	2023
Closing Balance	**413**	**275**

The reinsurance recoverables Health SLT increased by € 206 million, mainly due to a new annual layer in the WIA QS contract and an increase in the portfolio for Captives and International Pooling.

The reinsurance recoverables claim provision increased due to the new annual layer; the WIA QS reinsurance is still under construction and adds an annual layer each year until 2024, as the reinsurance stops for accident year 2025. As at year end 2024, 50% of the provision of the regular WIA-WGA products is part of the reinsurance contract. Captives and International Pooling are fully reinsured. The WIA products ’Large and Small Metal’ are not reinsured.

D.2.6.4. REINSURANCE RECOVERABLES - LIFE (EXCLUDING INDEX- AND UNIT- LINKED)

REINSURANCE RECOVERABLES LIFE (EXCL. HEALTH AND UNIT LINKED)

€ MILLION

	2024	2023
Closing Balance	**29**	**47**

The decrease is due to developments within the immediate (temporary) annuity portfolio with Canada Life and the quota share contract with a few (other) reinsurers (via Achmea Reinsurance Company N.V.). The full Mortality and Investment Risk lies with Canada Life, so for Achmea there is no Mortality-, Catastrophe- and Market Risk for this contract.

D.2.7. TECHNICAL PROVISIONS EXCLUDING THE VOLATILITY ADJUSTMENT

Achmea Group uses the VA when determining the Best Estimate of the insurance contracts. For the Technical Provisions of the following legal entities the VA is not applied: The Dutch health insurance entities, Achmea Reinsurance Company N.V., Interamerican Assistance General Insurance Company S.A. and Eureko Sigorta A.S. Year-end 2024 a VA of 23 bps (2023: 20 bps) has been used. The Solvency II Regulation does not allow the VA to be used in Türkiye.

Not using the VA results in a higher Best Estimate due to a higher present value of cash flows, especially in the case of the long-tail liabilities (Life excluding Index Linked and Unit Linked). The VA is not used when determining the Risk Margin.

IMPACT OF VOLATILITY ADJUSTMENT ON TECHNICAL PROVISIONS (GROSS) € MILLION

2024	ECONOMIC BALANCE SHEET	EXCLUDING VOLATILITY ADJUSTMENT	IMPACT VA
Technical Provisions (gross)	45,207	45,863	-656
Technical Provisions – Non-Life (excluding Health)	4,273	4,304	-31
Technical Provisions - Health (similar to Non-Life)	4,915	4,917	-2
Technical Provisions - Health (similar to Life)	2,231	2,270	-39
Technical Provisions – Life (excluding Health and Index Linked and Unit Linked)	25,766	26,340	-574
Technical Provisions – Index Linked and Unit Linked	8,022	8,033	-11

IMPACT OF VOLATILITY ADJUSTMENT ON RECOVERABLES FROM REINSURANCE € MILLION

2024	ECONOMIC BALANCE SHEET	EXCLUDING VOLATILITY ADJUSTMENT	IMPACT VA
Recoverables from Reinsurance	828	832	-4
Technical Provisions – Non-Life (excluding Health)	383	384	-1
Technical Provisions - Health (similar to Non-Life)	2	2	-0
Technical Provisions - Health (similar to Life)	413	415	-2
Technical Provisions – Life (excluding Health and Index Linked and Unit Linked)	29	30	-0
Technical Provisions – Index Linked and Unit Linked	0	0	0

IMPACT OF VOLATILITY ADJUSTMENT ON TECHNICAL PROVISIONS MINUS RECOVERABLES FROM REINSURANCE € MILLION

2024	ECONOMIC BALANCE SHEET	EXCLUDING VOLATILITY ADJUSTMENT	IMPACT VA
Technical Provisions minus Recoverables from Reinsurance	44,379	45,032	-652
Technical Provisions – Non-life (excluding Health)	3,890	3,920	-30
Technical Provisions - Health (similar to Non-Life)	4,913	4,914	-2
Technical Provisions - Health (similar to Life)	1,818	1,855	-36
Technical Provisions – Life (excluding Health and Index Linked and Unit Linked)	25,737	26,310	-573
Technical Provisions – Index Linked and Unit Linked	8,022	8,033	-11

IMPACT OF VOLATILITY ADJUSTMENT ON TECHNICAL PROVISIONS MINUS RECOVERABLES FROM REINSURANCE € MILLION

2023	ECONOMIC BALANCE SHEET	EXCLUDING VOLATILITY ADJUSTMENT	IMPACT VA
Technical Provisions minus Recoverables from Reinsurance	43,923	44,492	-569
Technical Provisions – Non-life (excluding Health)	3,708	3,729	-21
Technical Provisions - Health (similar to Non-Life)	4,515	4,516	-1
Technical Provisions - Health (similar to Life)	1,761	1,790	-28
Technical Provisions – Life (excluding Health and Index Linked and Unit Linked)	26,406	26,916	-509
Technical Provisions – Index Linked and Unit Linked	7,532	7,541	-8

D.3. OTHER LIABILITIES

D.3.1. TECHNICAL PROVISIONS - INDEX LINKED AND UNIT LINKED

TECHNICAL PROVISIONS – UNIT- AND INDEX LINKED

€ MILLION

	2024	2023	Δ
Best Estimate	7,980	7,496	484
Risk Margin	42	36	6
Total Gross technical provisions	**8,022**	**7,532**	**489**

The change of the relevant Risk-free interest rate is included in the effect of economic assumptions and had an impact on the Unit Linked portfolio (€ 199 million). The change in the relevant Risk-free interest rate only affects the future profits.

The impact of non-economic assumptions include mortality, lapse, expense and investment expense assumptions. Regular updates of the expense and investment expense assumptions had an impact of € 17 million on the Best Estimate. Mortality assumptions were changed in 2024 with a decrease of €- 0.2 million on the Best Estimate. Lapse assumptions were not updated in the Netherlands. In 2024 the expense inflation curve decreased in the Netherlands resulting in a decrease in Best Estimate of € 8.1 million.

The impact of model changes (€ 371 million) is mostly due to changes in the modelling of a separate account.

In addition there are portfolio development effects due to changes in operating experience variance (€ 453 million), mainly caused by change in value of the Unit Linked funds.

The Risk Margin for the Unit Linked portfolio increased in 2024 by € 6 million due to developments within Achmea Pensioen- en Levensverzekeringen N.V. in line with the variance analysis on the Best Estimate.

D.3.2. PROVISIONS OTHER THAN TECHNICAL PROVISIONS

The recognised 'Other Provisions' does resemble the 'Other Provisions' as described in the IFRS Financial Statements of Achmea. The values are the same and based on the present value. Achmea did not discount the 'Other Provisions' which are deemed to be current. See for more details the IFRS Financial Statements of Achmea[17].

OTHER PROVISIONS € MILLION

	RESTRUCTURING	LEGAL CLAIMS	ONEROUS CONTRACTS	EMPLOYEE BENEFITS (EXCLUDING POST-EMPOYMENT BENEFITS)	OTHER	2024	2023
Opening balance	**12**	**4**	**0**	**45**	**60**	**121**	**87**
Closing balance	**26**	**7**	**0**	**49**	**90**	**172**	**121**

For the contribution to the other provisions we refer to appendix 4.

D.3.3. CONTINGENT LIABILITIES

Achmea assesses at each reference date whether 'contingent liabilities' are to be recognised on the Economic Balance Sheet and disclosed in the QRT's S.03.01. – Off–balance sheet items – general.

Achmea will classify possible contingent liabilities according to their likelihood of occurrence:
- 'probable' (likely to occur).
- 'reasonably possible' (more than remote but less than likely).
- 'remote' (slight change of occurrence).

If the possible contingent liability is deemed to be 'remote' then Achmea will assume that the valuation of the contingent liability will not be material.

For the other two classifications Achmea will have to obtain more information. The first step is to assess whether a similar contingent liability has been incurred by Achmea in the past. If so, Achmea has to assess what the outcome was. Achmea will use this as a reference.

Based on these assessments the following non-material contingent liabilities are identified:
- Achmea B.V. and companies forming part of Achmea are involved in lawsuits and arbitration proceedings. These proceedings relate to claims instituted by and against these companies arising from ordinary operations and mergers, including the activities carried out in their capacity as insurer, credit provider, service provider, employer, investor and tax payer. Although it is not possible to predict or define the outcome of pending or imminent legal proceedings, the Executive Board of Achmea believes that it is unlikely that the outcomes of the actions will have a material, negative impact on the financial position of Achmea B.V.
- Achmea B.V. has issued guarantees on behalf of subsidiaries that relate to the activities of these subsidiaries, carried out in their capacity as insurer, credit provider, service provider, employer, investor and tax payer. Achmea B.V. also issued guarantees and indemnities for third parties under sales transactions.
- The Netherlands-based insurance companies of Achmea provided 'Nederlandse Herverzekeringsmaatschappij voor Terrorismeschaden N.V.' with guarantees to a maximum of € 37 million (2023: € 36 million). Nederlandse Herverzekeringsmaatschappij voor Terrorismeschaden N.V. is a company in which the participating insurance companies pool the claims and risks related to terrorism. In 2024 no terrorism claims incurred, therefore no liabilities are present to be recognised.
- Achmea provides mortgage loans for its own account and for the account and risk of its clients (pension funds). In this capacity Achmea has commitments arising from offers for mortgage loans. If the clients accept the offers Achmea is obliged to provide mortgage loans in the amount of € 2,0 billion (2023: € 1,2 billion). This commitment is offset by a received guarantee of € 350 million (2023: € 220 million).
- Achmea B.V. has provided Vereniging Achmea and Rabobank with an indemnity for amounts imposed by the Australian supervisor related to the activities of the Australian branch of Achmea Schadeverzekeringen N.V. in case the Australian supervisor will impose on Vereniging Achmea and Rabobank as shareholder of the ultimate parent of Achmea Schadeverzekeringen N.V. additional obligations and responsibilities relating to these Australian activities. No material losses are

[17] Achmea Year Report 2024 – Financial Statements, note 19 Other Provisions

expected in respect of this indemnity. Due to its nature, this indemnity is not to be quantified. The probability of occurrence of the triggering event is nil.

- Achmea B.V. has given guarantees that the liquidity and solvency of two subsidiaries will be sufficient to continue their operations (Achmea Investment Management B.V., Syntrus Achmea Real Estate & Finance B.V.). Note that the probability of occurrence of the triggering event is near nil.
- Achmea B.V. has issued guarantees that two subsidiaries will fulfil their contractual payment obligations (Achmea Investment Management B.V., Achmea Pensioenservices N.V.).
- Autoriteit Financiële Markten (AFM) has set an indemnity for Stichting PVF Particuliere Hypothekenfonds as a condition of being both a provider of mortgage loans and a custodian of an Alternative Investment Fund (AIF). Normally, an AIF custodian may not have other roles / activities than being the legal owner of the assets, in this case, mortgage receivables. This is in order not to expose the custodian's task to additional risks. Because these tasks cannot be separated in the case of this fund, AFM has set this condition. The consequence is that the indemnity given by Achmea Mortgage Fund B.V. must be maintained until the moment the fund is liquidated or Stichting PVF Particuliere Hypothekenfonds is no longer a custodian or the law is amended on that point.
- InShared Holding B.V. issued guarantees as mentioned in Section 403 of Book 2 of the Dutch Civil Code, in respect of 5 companies within the group (H.I. Services B.V., InShared Nederland B.V., InShared Services B.V., Legal Shared B.V. and Online Claims Services B.V.).
- Achmea B.V. has taken out directors' liability insurance for Executive Board of Achmea and Supervisory Board members of Achmea B.V. and its subsidiaries. Some board members are also indemnified against financial loss based on third-party claims, under certain conditions, insofar as this loss exceeds the insured cover.

The abovementioned contingent liabilities are classified as 'remote' and have no material effect. Therefore these contingencies are currently not recognised on the Economic Balance Sheet.

The estimated probability of occurrence of the event triggering an unlimited guarantee is assessed to be nil.

Achmea has one contingent liability on the Economic Balance Sheet recognised. This is based on the guarantee given by Achmea B.V. to Achmea Bank as part of the transfer of the Acier portfolio by the previous banking entity Staalbankiers to Achmea Bank. The contingent liability is based on a possible pay out from Achmea regarding the servicing of accountholders within the Acier portfolio. In previous years this was recognised as part of 'Debts owed to credit institutions' in line with the accounting company balance of Achmea. However, due to accounting considerations this liability is not recognised at the accounting company balance sheet of Achmea. Under Solvency II, the liability is still recognised as originally agreed with DNB at the date of the transaction.

Achmea did not have any other material contingent liabilities recognised on the Economic Balance Sheet at 31 December 2024.

D.3.4. PENSION BENEFIT OBLIGATIONS

Employee benefits are all obligations of the employer to the employee or former employee. Examples are post-employment benefits and retirement packages or long term remuneration packages.

Achmea presents the short term employee benefits (such as salaries, already declared bonuses) with an expected settlement less than 1 year as part of the 'other liabilities'; long term remuneration packages (such as option schemes) are presented as part of 'other provisions'. All other employee benefits (such as pension schemes) with an expected settlement of more than 1 year are presented as part of this balance sheet entry. The economic value of employee benefits is currently best estimated by reference to the value according to IAS 19R, which is included in the IFRS financial statements.

PENSION BENEFIT OBLIGATIONS € MILLION

	2024	2023
Opening balance	**847**	**780**
Pension indexation restatement	0	0
Adjustment of valuation principles	0	0
Interest on defined benefit obligations	27	29
Change in actuarial assumptions	-7	73
Paid benefits	-36	-34
Closing balance	**830**	**847**

Achmea has a pension scheme for the major part of its employees. The pension scheme executed by Stichting Pensioenfonds Achmea, applicable to the major part of the 12,000 employees in the Netherlands, is a so-called Collective Defined Contribution (CDC) scheme. The obligation of Achmea related to the pension scheme is limited to payment of the agreed premium for the current year of service. In 2024 contributions paid to the CDC scheme amounted to € 211 million (2023: € 198 million). The contribution is determined as the actuarially required contribution for the acquired pension rights in that year, taking into account current interest rates.’

Achmea's defined benefit obligation is mainly related to the accrued rights of a number of (former) employees under former defined benefit plans. These defined benefit plans were maintained in the Netherlands, and for a limited amount in Greece. Benefits related to medical costs are not included in these plans. The accrued rights of a number of (former) employees under former defined benefit schemes in the Netherlands have been insured with Achmea Pensioen- en Levensverzekeringen N.V. and so Achmea continues to hold the financial and actuarial risks. The investments related to the insurance contracts are accounted for as Investments (and do not qualify as Investments backing defined benefit obligation).

The change in actuarial assumptions in 2024 is caused by an increase in the average discount rate. The average discount rate increased from 3.2% to 3.4% (2023: from 3.7% to 3.2%). This resulted in a loss of approximately € 7 million. The payments to pension obligations resulted in a decrease of € 36 million. The lower average discount rate cause an increase of € 26 million.

D.3.5. DEPOSITS FROM REINSURERS

For the contribution to the deposits from reinsurers we refer to appendix 4.

D.3.6. DEBTS OWED TO CREDIT INSTITUTIONS

Debts owed to credit institutions include all loans from external parties to Achmea, financial lease liabilities and financial reinsurance liabilities. Financial liabilities are valued at economic value, with the exception of the effect of changing Achmea’s own creditworthiness since the recognition date. When the economic value is determined, Achmea adds this fixed ‘initial’ spread to the risk-free interest rate at the reporting date.

For very small loans (< € 1 million) with a limited remaining time to maturity (< 3 years) Achmea has not discounted the cashflows but retained the amortised cost value. Considering the discount rate this has a very small impact on the value of the Own Funds.

DEBTS OWED TO CREDIT INSTITUTIONS € MILLION

	SECURED LOANS	UNSECURED LOANS	OTHER	2024	2023
Closing balance	**0**	**0**	**2**	**2**	**3**

D.3.7. FINANCIAL LIABILITIES OTHER THAN DEBTS OWED TO CREDIT INSTITUTIONS

Financial liabilities other than debts owed to credit institutions include all loans from external parties to Achmea, financial lease liabilities and financial reinsurance liabilities. Financial liabilities are valued at economic value, with the exception of the effect of changing Achmea’s own creditworthiness since the recognition date. When the economic value is determined Achmea adds this fixed ‘initial’ spread to the Risk-free interest rate at reporting date.

FINANCIAL LIABILTIES OTHER THAN DEBTS OWED TO CREDIT INSTITUTIONS € MILLION

	2024	2023
Opening balance	**1,376**	**1,344**
Effect of changes in economic assumptions	32	46
Portfolio development	-10	-16
Other	-3	2
Closing balance	**1,396**	**1,376**

Financial liabilities other than debts owed to credit institutions consists of a unsecured loan of € 750 million (economic value amounts to € 714 million), subordinated green notes of € 500 million (economic value amounts to € 503 million) and a lease liability of

€ 116 million. The financial liability from Achmea Pensioen- en Levensverzekeringen N.V. (€ 1 million) is furthermore related to transferred pension obligations to other insurance companies.

D.3.8. PAYABLES

Payables are measured at economic value. The value according to the IFRS Financial Statements is deemed to be an adequate proxy for the economic value.

PAYABLES

€ MILLION

	2024	2023
Payables from direct insurance	1,156	1,138
Payables on reinsurance	49	-3
Creditors	72	91
Taxes	220	212
Other	58	69
Total	**1,556**	**1,507**

Payables are recognised within all legal entities. For the main contribution to the payables we refer to Appendix 4.

D.3.9. SUBORDINATED LIABILITIES NOT IN BASIC OWN FUNDS

Any subordinated liabilities which do not qualify as being part of the EOF are presented as a separate Balance Sheet item. These subordinated liabilities are valued according to their economic value. The cash flows are discounted using the discount rate as used by Achmea including a credit spread as agreed at the inception date. This credit spread remains constant over time.

In 2024, Achmea paid of part of an existing tier 2 note (€ 750 million, coupon 4.25%, first call date in February 2025). Achmea announced to pay of the remain part of same note, € 393 million, in February 2025. As a consequence the financial instrument cannot longer be included in the eligible own funs of the company and is recognised as a subordinated liability not included in the basic own funds. The total (market) value of the instrument included in the economic balance sheet is € 408 million. At the end of 2023 Achmea had no such subordinated liabilities.

D.3.10. ANY OTHER LIABILITIES

All other liability balance sheet entries are presented under this heading. This includes ’Accruals’ (not related to ’Investments’ or ’Investment property’) and ’Other’ as presented as part of the IFRS Financial Statements (not related to insurance contracts).

’Other liabilities’ are measured at economic value. Achmea considers the value as presented in the IFRS Financial Statements to be a good proxy for this economic value.

ANY OTHER LIABILITIES

€ MILLION

	2024	2023
Accruals and deferred income	212	270
Other	2,786	2,220
Total	**2,998**	**2,489**

The total amount of ‘Other’ consists mainly of repayment obligations of collateral received in the form of cash due to the EMIR regulation. Achmea receives an amount of cash collateral depending on the current market value of the derivative. The economic value of the repayment obligation of collateral is € 1,352 million (2023: € 1,420 million).

Any other liabilities are recognised within all legal entities. For the main contribution to Any other liabilities we refer to Appendix 4.

D.3.11. DEFERRED TAXES

In the Economic Balance Sheet the principles as defined by IAS 12 are applied. The amounts already recognised on the IFRS Financial Statements are recoverable. Due to the valuation principle employed by Solvency II, amounts are added to the Deferred Tax Assets/Liabilities following the Solvency II valuation principles. Achmea assesses the recoverability of these additions, in conjunction with the changes in the DTL (Deferred Tax Liability). Each addition to the deferred tax due to the valuation differences is calculated as that change in valuation multiplied by the enacted tax rate of the appropriate fiscal regime applicable to the Member State in which Achmea operates. In the recoverability analysis, Achmea includes an assessment with respect to uncertainties in the future projections.

Achmea has applied the interpretation of DNB as laid down in the Q&A and supervisory dialogue with respect to the joint recognition of Deferred Tax Assets and Deferred Tax Liabilities based on the timing differences of assets and liabilities and has adjusted the recoverability analysis. In the recoverability analysis, Achmea has included the impact of the increased uncertainty as time progresses. The impact is based on a stochastic analysis.

The enacted tax rates in the other countries where Achmea operates remained unchanged compared to last year. The enacted tax rate of Slovakia will increase in 2025 from 21% to 24%.

DEFERRED TAXES (ASSET = + ; LIABILITY = -)

€ MILLION

	OPENING BALANCE	RECOGNISED IN INCOME	RECOGNISED IN OWN FUNDS	OTHER MOVEMENTS	CLOSING BALANCE
Intangible assets	15	2	0	3	20
Property for own use and equipment	0	0	0	0	0
Investments	178	-147	0	-180	-149
Other assets	19	-16	0	171	175
Insurance liabilities	-224	-27	-4	112	-143
Other provisions	654	10	-1	-15	649
Pension benefit obligations	22	-1	3	16	40
Other liabilities	-30	4	0	-14	-40
Loss carry-forwards	193	-70	0	0	123
Total	**828**	**-245**	**-2**	**94**	**675**
Of which Deferred Tax Assets	866	-245	-2	77	696
Of which Deferred Tax Liabilities	-38	0	0	17	-21

DEFERRED TAXES (ASSET = + ; LIABILITY = -) PER COUNTRY

€ MILLION

	DEFERRED TAX ASSETS	DEFERRED TAX LIABILTIES	TOTAL 2024	DEFERRED TAX ASSETS	DEFERRED TAX LIABILTIES	TOTAL 2023
Achmea Fiscal Unity incl. consolidation effects	928	293	635	791	0	791
N.V. Hagelunie	0	16	-16	0	11	-11
InShared Holding B.V.	14	0	14	14	0	14
Total Netherlands (25.8%)	**942**	**309**	**633**	**806**	**11**	**795**
Slovakia (21%)	2	0	2	2	0	2
Türkiye (30%)	22	0	22	17	0	17
Greece (22%)	-9	-26	17	42	27	14
Total	**958**	**283**	**675**	**866**	**38**	**828**

D.4. ALTERNATIVE METHODS FOR VALUATION

In the table below the economic hierarchy for the main investments is presented:

VALUATION HIERARCHY

	LEVEL 1		LEVEL 2		LEVEL 3		LEVEL 4		TOTAL	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Assets										
Property, Plant & Equipment held for own use							321	323	321	323
Property (other than for own use)							717	763	717	763
Holdings in related Undertakings					1,206	1,007			1,206	1,007
Equities	1,923	1,035	2	5	100	71	55	57	2,080	1,168
Bonds	20,802	18,489	1,933	3,254	5	7	0	0	22,741	21,750
Collective Investment Undertakings	535	415	548	559	103	88	804	674	1,990	1,737
Derivatives	5	14	3,658	4,462	48	56	0		3,712	4,532
Deposits other than Cash equivalents			645	594	31	34	0	0	675	628
Other Financial Investments	0	0	2,763	2,891	276	285			3,038	3,176
Loans and Mortgages			4,877	4,895	8,468	8,322			13,345	13,216
Assets held for Index Linked and Unit Linked contracts	2,565	2,564	5,559	5,372	149	159	0	0	8,273	8,096
Property (other than for own use)									0	0
Holdings in related Undertakings									0	0
Equities	1,065	1,030	5,332	5,177	149	159			6,545	6,367
Bonds	568	592	0	0	0	0			568	592
Collective Investment Undertakings									0	0
Derivatives	-0		186	151	0				186	151
Deposits other than Cash equivalents	217	197	0	0	0	0			217	197
Other Financial Investments	716	745	41	43	0	0		0	757	789
Cash and Cash equivalents	666	1,056							666	1,056
Total	**26,497**	**23,573**	**19,984**	**22,032**	**10,385**	**10,029**	**1,897**	**1,817**	**58,764**	**57,452**
Liabilities										
Debts owed to credit Institutions			2	3					2	3
Derivatives	5	99	1,898	2,917	0	0			1,903	3,017
Total	**5**	**99**	**1,900**	**2,920**	**0**	**0**	**0**	**0**	**1,905**	**3,020**

For some investment exposures Achmea has to use alternative methods for valuation in case a quoted price in an active market is unavailable. Where possible Achmea uses best practice valuation approaches. For some exposures own techniques or expert judgment is used as a basis for the valuation. This section of the SFCR describes these alternative valuation approaches in more detail.

Property for own Use and Investment Property

The property for own use is valued using a discounted cashflow technique. The cashflows for the future twenty years are projected and discounted. In this projection information and parameters are used as suggested by the National association of appraisers (NVRT), for example the inflation scenario. After twenty years the terminal value is predicted which is subject to expert judgment. The valuation is performed by an external party. The value of the property is also compared to recent transactions in the same geographical area. Based on differences in location and characteristics of the building adjustments are made. This valuation is also benchmarked with the so-called 'capitalisation method'. The outcomes of both methods may not differ too much. If this is the case the external party and Achmea will have to make appropriate adjustments.

For investment property the main method is the capitalisation method which is benchmarked by the discounted cash flow method.

All the external parties involved have to adhere to the ISAE3402, a professional standard. Each quarter 25% of the whole portfolio has to be appraised by the external party. The remainder of the portfolio is updated to reflect the circumstances at the reference date.

Every three years the contracted external parties are changed for other external parties. In the valuation approach of the external parties recent transactions are taken into consideration.

For investment property related to residential property the highest value of continuous exploitation or direct sale is used.

The appraisal value is benchmarked with at least three reference objects with similar characteristics.

Equity participations

For venture capital investments and private equity Achmea uses the valuation principles as published by the International Private Equity and Venture Capital Valuation (IPEV).

In certain instances a discounted cashflow value can't be determined. Alternatively, the economic value is based on the net asset value, adjusted for goodwill and intangibles. For several participations in companies, an Economic Balance Sheet is not readily available at the reference date. In these instances reference is made towards the net asset value based on an earlier balance sheet date not exceeding one year and subject to expert judgement regarding possible adjusting intermediate events. Where appropriate the not-current net asset value of the participations is adjusted with a relevant index benchmark reflective of the nature of the participation.

Equity investments

Achmea recognises Equity investments at their economic value using the economic value hierarchy. For those investment where no quoted price in an active market is available, a valuation technique is used. The majority of listed equities are valued by their quoted prices (valuation hierarchy level 1). An amount of € 5 million is reported as economic valuation hierarchy level 2 as a result of staleness of prices in the last month.

Unlisted equities are the "Fagoed Vastrecht" fund and "Stadsherstellen" are classified as fair value level 4. These funds are valued using the acquisition price (valuation hierarchy level 4). This is deemed to be a good proxy for the economic value because additional value created by the fund is not forwarded to the shareholders. Another unlisted equity investment is Garanti Emeklilik. This is measured on the basis of a mix of a Counterparty Credit Assessment and Embedded Value calculation.

Some Unlisted equities are classified as economic value level 4. These equities are valued using the acquisition price (valuation hierarchy level 4). This is deemed to be a good proxy for the economic value because additional value created by the fund is not forwarded to the shareholders. Another unlisted equity investment is Garanti BBVA Emeklilik. This is measured on the basis of a mix of a Counterparty Credit Assessment and Embedded Value calculation.

Bonds, loans, private placements and receivables

Achmea values the majority of the bonds using a quoted market price on debt markets (valuation hierarchy level 1). If no quoted price in an active market is available, Achmea uses the last known traded price in the market (valuation hierarchy level 2). The last known traded price is received from the custodian (BNY Mellon), and checked with Bloomberg prices. If the deviation of the two prices is more than 3%, the delivered price of the custodian is challenged and additional information is requested. Achmea challenges the received price and contacts the concerning asset manager (M&G in the case of collateralised securities such as ABS, CMBS and RMBS), who uses different pricing sources (Bloomberg, IDC and Markit). The detailed information on how the price is derived, is judged by the department Balance Sheet Management. Based on this information, Achmea decides whether the price and fair value used is appropriate. If the assessment shows that the information does not yield an appropriate price, adjustments to price and market values are made.

Achmea invests in certain exposures where no market information is readily available to really reflect the economic valuation. In these instances, Achmea uses the discounted cash flow method. The cash flows are projected and discounted with the swap curve adjusted with an adjustment for Default Risk. Achmea uses the same method as laid down for the economic valuation of 'amounts ceded to reinsurers' (Article 42 of Regulation 2015/35). Based on the Loss Given Default of the exposure and the probability of default a through the cycle adjustment is calculated. For the economic valuation of non-rated private placements, an illiquidity premium is added in the discounted cash flow method.

Mortgage Saving assets

Classification on the balance sheet of identified components

Achmea splits the mortgage saving assets into three components:
- Paid-in part ('opgebouwd deel'): Discounted value of the net cash outflow at the expected end date of the contract. The cashflows include the premiums and compounded interest and future interest to be received on this amount. This is the amount which would be paid at the end of the contract if no additional premiums would be received anymore.
- Reinvestment part ('herbeleggingswaarde'): Discounted value of the net cash flows based on the discounted compounded interest on future interest payments (based on the amount based on contractual interest terms less the received interest payments).
- Future part ('toekomstig deel'): Discounted value of the net cash flows based on future premiums and compounded interest thereon minus the premiums to be received according to the contractual terms).
  1.

Based on the existence of risk mitigation features, the paid-in part ('opgebouwd deel') is classified as:
- Deposits, if there are no risk mitigation features or other received guarantees in the contractual arrangements.
- Loans and mortgages to individuals, if there are risk mitigation features and a look-through is possible (Cession contracts / participation contracts concluded with securitisations based on a look-through approach on the Economic Balance Sheet).
- Other investments, if risk mitigation features are in place but a look through is not allowed (participation contracts concluded with securitisations of external parties).

In the classification under Solvency II and based on the Q&A of DNB issued at 1 September 2021, the second and third part are considered to be a 'forward contract' and classified as Other derivatives on the balance sheet with the provider of the credit (Bank or SPV) as counterparty. The notional amounts of derivatives are assumed to be equal to the economic valuation of the cashflows. Depending on the guarantees obtained and whether a look-through can be applied, the risk-free interest rate is adjusted with a spread. The spread is derived from the market by referring to spreads related unsecured bonds with the same characteristics. The forward contracts related to mortgage savings are classified as valuation hierarchy level 3.

Achmea has three types of mortgage saving assets:

- Mortgage saving products where Achmea has no risk mitigation arrangements with the Rabobank (Obvion and Term insurance contracts) and other smaller mortgage saving contracts.
- Mortgage saving products where a cession arrangement exist (Rabobank not embedded in the securitisation vehicle 'Best' and Achmea Bank N.V.).
- Mortgage saving products where a participation arrangement ('Best' and securitisations of Achmea Bank N.V.) exists.

On the Liability side of the Economic Balance Sheet (see also Chapter 5), the paid-in part is considered to be part of the Technical Provisions, while the reinvestment part and future part are considered to be derivatives with the policyholder as counterparty.

Duration and assumptions

The Cash flows of the mortgage saving asset should be based on the contractual terms and conditions and are adjusted to reflect policyholder behaviour such as lapses and mortality in an equal manner to the related insurance liability. If a policy lapses, the amounts as cash outflows (to the policyholder) mirrors the amount received as cash inflow (from the bank).

The mortality and lapse assumptions are aligned with the assumptions as used in valuing the Best Estimate cash flows. The contract boundary of the mortgage saving insurance products is equal to the duration assumed of the mortgage saving asset.

Many of the mortgage saving contracts involve a possibility of an interest rate reset after a certain number of years. This interest rate reset is at the initiative of the bank and involves an agreement between the bank and the policyholder. This interest rate reset is subsequently used in valuing both the insurance liability and mortgage saving asset. As this assumption is part of the economic value of the asset and liability, Achmea has to apply a best estimate of the interest rate after a future reset. Based on proportionality reasons, Achmea uses the agreed interest rate as per reporting date for the remaining period up to the expected end date of the contract. Interest rates will only amend after this is agreed upon by the policyholder and the bank. This new rate is communicated to Achmea and subsequently used in the valuation of the asset and liability. Again mirroring the interest cash flows.

Assessment of Counterparty Default Risk

Achmea assesses the existence of Counterparty Default Risk within the mortgage saving asset. If there are no mitigating arrangements such as cession contracts or participation contracts, the mortgage saving asset is considered to be unsecured. The size of the risk is estimated by using a market observable spread: Achmea uses the unsecured bond spread included in the market yield of the bond of the counterparty (with the same duration) to estimate this risk.

For those mortgage saving products where risk mitigation arrangements exist (cession/retrocession contracts, (sub-)participant contracts), Achmea does not run Counterparty Risk at the paid-in/build-up part. Some Counterparty Risk (not obtaining the future guaranteed return) could exist if the counterparty would default and the liquidator/curator/resolution authority would not continue with the contractual arrangement. This is very difficult to predict. As a proxy, Achmea applies a spread to the reinvestment part and not to the future part. This is considered to be a prudent approach.

Based on the risk characteristics, the overview summaries the spread to be applied.

TYPE	PAID IN PART	REINVESTMENT PART	FUTURE PART
Unsecured	Yes	Yes	Yes
Cession	No	Yes	No
Participation	No	Yes	No

The applied spread is based on the remaining duration of the expected end date of the contract taking the policyholder behaviour into consideration. If the spread is not readily available, Achmea will interpolate the available spreads based on the available unsecured bonds of the counterparty.

Collective Investment Undertakings

Private equity investment funds, infrastructure investment funds, alternative funds or equity funds where the underlying value is not quoted on a stock exchange is classified as valuation hierarchy level 3. Investment funds related to Property. Since the underlying risk type of the participation is property, the participation is classified with valuation hierarchy level 4.

The valuation is based on the net asset value of the fund multiplied by the participation rate. These funds often experience a quarterly delay in valuation. Achmea will update the valuation towards closing moment based on the development of relevant benchmarks. When the actual valuation is received (after the reporting period), the estimated valuation is compared with the actual valuation. Differences are analysed and it is determined whether the benchmark used remains relevant based on the observed differences.

Other Investments

Private equity investment funds, infrastructure investment funds, alternative funds or equity funds where the underlying value is not quoted on a stock exchange is classified as valuation hierarchy level 3.

The valuation is based on the net asset value of the fund multiplied by the participation rate. These funds often experience a quarterly delay in valuation. Achmea will update the valuation towards closing moment based on the development of relevant benchmarks. When the actual valuation is received (after the reporting period), the estimated valuation is compared with the actual valuation. Differences are analysed and it is determined whether the benchmark used remains relevant based on the observed differences.

Mortgages

Valuation of the mortgage portfolio is based on an economic value determined using an exit price, which results in a market-based, rather than an entity-specific measurement. The mortgage loans are valued using a discounted-cash flow-model where the cash flows are determined per mortgage loan part and discounted using the relevant discount rate. The discount rate using the top down approach is based upon the relevant mortgage rates in the market and characteristics of the loan part (maturity, LTV, etc.). Several parameters are used in the mortgage loan portfolio valuation model. The following section contains a summary of these parameters:

- The market rate is determined via the entire space of primary mortgage products on offer at time of the valuation, excluding the loans that are classified as action rates. For the entire space of primary mortgage products, the Yield to Maturity (“YTM”) is calculated for each unique combination of repayment type, Loan to value, NHG/non-NHG, fixed rate period and asset type (residential or buy-to-let consumer). In the calculation of the YTM automatic risk class adjustment of the primary market products is accounted.

- An offer correction will be applied to the Yield to Maturity (YTM) of primary mortgage products, in order to get to a discount rate. The offer correction is based on the product's offer type ('Offerterente', 'Dagrente' or 'Dalrente'), the repayment type of the loan and the fixed rate period of the loan.
- A prepayment curve is applied to account for the expected pre-payments. This depends on the Observed Prepayment Rate (OPR) and Long Term Prepayment Rate (LTPR). The OPR is portfolio specific, the LTPR is based on market data. LTPR is 4.41% (2023: 4.55%).
- For non-NHG mortgage loan parts with a current loan to indexed market value above 106% there are no, or limited, primary market mortgage loan rates available. Therefore, for mortgage loan parts with a current loan to indexed market value (CILTMV) above 106% the interest rate charged to Dutch borrowers for unsecured personal loans is used for discounting the CILTMV part above 106%.
- Arrears are distributed across 5 buckets and per bucket a probability of default is set (0-30 days: 7%, 30-60 days: 12%, 60-90 days: 25%, >90 days: 55%).

D.5. ANY OTHER INFORMATION

Information about the valuation of assets and liabilities is stated in the notes to the Economic Balance Sheet.

E. CAPITAL MANAGEMENT

E.1. OWN FUNDS

E.1.1. CAPITAL ADEQUACY POLICY

The Achmea Capital Adequacy Policy is applicable for Achmea Group and its subsidiaries. Starting point for this policy is the Achmea risk appetite. The main principles of this policy are as follows:

- The Executive Board of Achmea is responsible for the solvency position at Group Level and the statutory boards are responsible for the solvency position of the legal entities.
- The Executive Board of Achmea is responsible for capital allocation between the legal entities.
- All entities must be adequately funded, which involves having a buffer at entity level that is above the statutory minimum that is sufficient to be able to absorb setbacks.
- Achmea aims to keep a capital buffer at Holding level. This will enable the Group to solve possible capital shortages of legal entities by simply transferring capital within the Group.
- Solvency II is the leading capital regime for Achmea. The Solvency II capital limits are defined for the PIM approved by the College of Supervisors.

At Group Level, the minimum level is defined as the level where all entities are capitalised at 100% SCR based on the approved PIM.

On legal entity level, a buffer above the 100% SCR level is kept to absorb 'normal' volatility. Around the target level a bandwidth is defined and the lower boundary of the bandwidth is the internal limit, below which measures to improve the solvency position are required. With a solvency level of 194% (2023: 196%) for the 'Achmea Group excluding the non-insurance entities under supervision' Achmea is in the green zone of the CAP. No action is required.

For the Dutch Operating Companies except the Health entities, the bandwidth is 5%-pt. For the non-Dutch Operating Companies and the Dutch Health entities the bandwidth is 10%-pt. At Group Level, Achmea strives to achieve a target Solvency II ratio of 165%.

Achmea monitors the solvency position and takes measures to restore solvency ratios within predefined time periods and to prevent solvency ratios from falling below the minimum levels. Applicable contingency plans exist. For the insurance legal entities, the entities need to identify stand-alone recovery measures. One of these measures can be a possible capital injection by Achmea B.V. to restore the capital above the internal limit levels where deemed appropriate based on a case-by-case basis. If specific trigger levels are breached, crisis governance comes into effect.

E.1.2. ELIGIBLE OWN FUNDS

The Solvency II ratio decreased by 1%-pt to 182% (2023: 183%). The decrease in the capital position resulted from a combination of a increase of € 1,191 million in the Solvency II EOF to € 10,039 million (2023: € 8,848 million) and an increase of € 686 million in the SCR to € 5,526 million (2023: € 4,840 million).

ELIGIBLE OWN FUNDS – GROUP

€ MILLION

	2024	2023	Δ
Tier 1 restricted	467	456	11
Tier 1 unrestricted	7,432	6,496	936
Tier 2	1,453	1,292	161
Tier 3	687	605	82
Total eligible Own Funds	10,039	8,848	1,191

Tier 2 capital increased mainly due to a Tier 2 note of € 125 million issued by Achmea Bank N.V. (market value € 126 million at year-end 2024). The other increases in the restricted Tier 1 and Tier 2 eligible capital are caused by market value movements of the financial instruments.

As of 31 December 2024, Tiering limits have been exceeded due to which an amount of € 132 million (2023: € 255 million) of Tier 3 capital cannot be used to cover the SCR.

Tier 1

Tier 1 consists of an unrestricted and a restricted part. The restricted part of Tier 1 may not exceed 20% of the Tier 1 capital and consists of one capital instrument:

- € 467 million Capital security 4.625% (2023: € 456 million; nominal value: € 500 million), issued in September 2019, no maturity date (perpetual), issuer call option annually, first call option is 24 March 2029. The valuation of this capital instrument is based on the initial credit spread of 4.45%.

Tier 2

The capital components included within Tier 2 consist of the following instruments:

- € 783 million Note 5.625% (nominal value: € 750 million), 5.625% fixed rate up to May 2034, issued in May 2024, initial credit spread 2.82%, no maturity date (perpetual), issuer call option annually, first call option in May 2034.
- € 226 million Capital security 2.5% (nominal value: € 250 million) 2.5% issued in September 2019, initial credit spread 2.75%, having a maturity date in September 2039, issuer call annually, first call option in June 2039.
- € 317 million Tier 2 Note 6.75%, with a nominal value of € 300 million), issued in June 2023. With a maturity date of December 2043. From 26 December 2033 the Interest will be the sum of the Mid-Swap Rate plus the Reset Margin (+4.70 percent per annum), which is determined annually at the reset date. First call date is June 26th 2033.

Tier 2

Within Tier 2, Achmea Bank has classified one capital instruments:

- Tier 2 Note 5.88% (€ 126 million, with a nominal value of € 125 million).

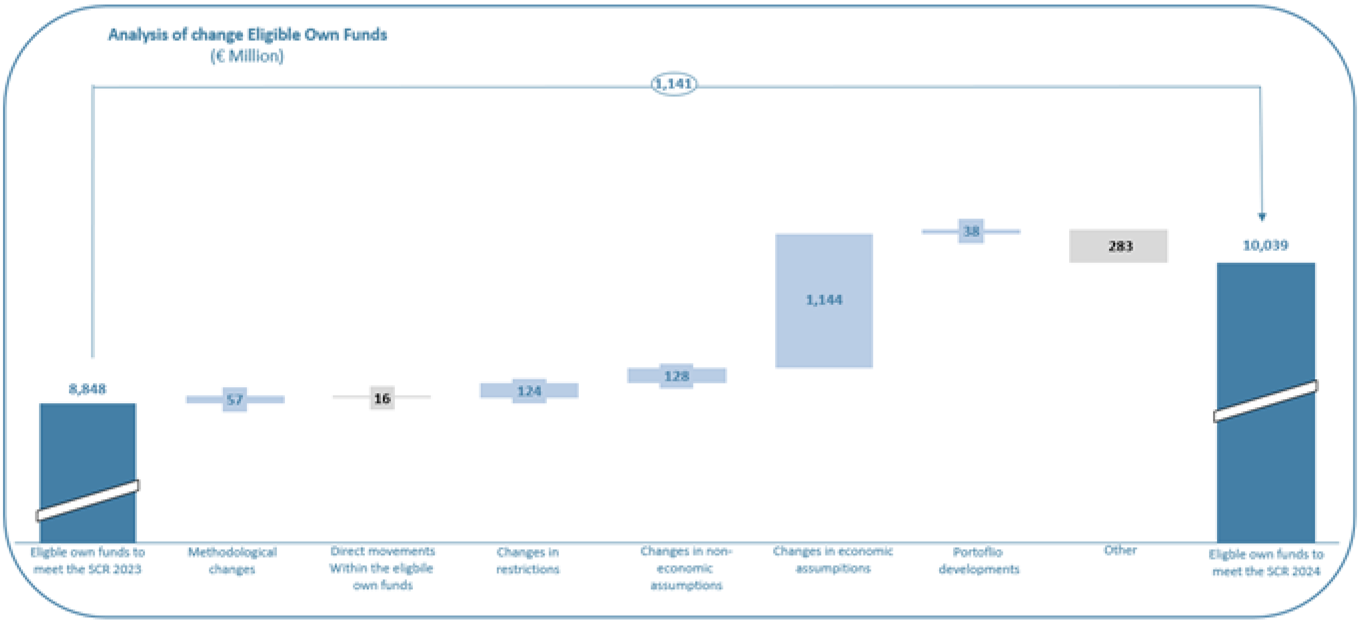
Tier 3

Within Tier 3, Achmea includes the value of the net Deferred Tax Assets (nDTA) as recognised on the Economic Balance Sheet. For Achmea Group not all net Deferred Tax Assets may be recognised as EOF, in case the limits for Tier 3 (< 15% of the SCR diversified) or Tier 2 + Tier 3 (< 50% of the SCR diversified) are exceeded. Amounts exceeding these thresholds are considered not eligible for covering the SCR. For the year-end 2024, the Relegation of Tier 3 was € 132 million (2023: € 255 million).

Own Funds to cover the Minimum Capital Requirement

Achmea also has to assess whether the capital components are able to cover the group MCR. Compared to the SCR, Tier 3 capital is not eligible to cover the MCR and Tier 2 capital components may not exceed 20% of total MCR. For covering the MCR, the relegation of Tier 2 was € 849 million (2023: € 860 million). The Own Funds eligible to meet the minimum consolidated Group SCR amounted at year-end 2024 € 7,379 million (2023: € 6,473 million).

ANALYSIS OF CHANGE IN THE ELIGIBLE OWN FUNDS



Methodological changes

In 2024 model changes are implemented by Achmea Pensioen- en Levensverzekeringen N.V. and Union Poistóvna A.S.

For Achmea Pensioen- en Levensverzekeringen N.V, the following methodological/model changes have impacted the Best Estimate and/or Risk Margin and therefore impacted the Own Funds: model change whereby unconditional indexation of a number of contracts is included in the model instead of an outside adjustment, revised methodology for scalability of ongoing expenses, an update of the research on the runoff drivers of the Risk Margin, changed methodology for calculating the Best Estimate of a separate account contract (which is aligned with IFRS17 methodology), a change in the methodology of calculating the outside adjustments, whereby a cash flow model is used instead of a scaling method.

The model change that impacted the EOF of Union Poistóvna A.S. is related to the alignment of lapse rate calculation of Postova ex products with Union's methodology.

Direct movements within the Eligible Own Funds

In 2024, Achmea issued a new capital instrument, the € 750 million 5.625% Tier 2 bond. Also In 2024, Achmea derecognised the € 750 million tier 2 note 4.25% (with first call date February 2025). This note was partly paid off in 2024. The remaining part will be paid off in February 2025.

The foreseeable dividend on ordinary shares (related to the 2024 results), the in 2025 to be paid coupon payments on the subordinated notes and the in 2025 to be paid coupon payment on the Tier 1 capital security are having a decreasing impact on the EOF.

Impact of changes in restrictions including relegation of Tiers

The net result of the 'changes in restrictions' (amounts that do not qualify as available capital at group level) and the relegation of Tiers (amount that exceeds a certain percentage of the required capital and therefore cannot be recognised as capital available at group level), resulted in an increase of the EOF:

- InShared Holding B.V.: Due to the decrease of the required capital (notional SCR) related to the participations of InShared Holding B.V., the parent company of the specific fiscal unity, the restriction slightly decreased.
- Australia: Achmea has to maintain funds in Australia based on local prudential requirements of the Australian supervisor that results in an amount of capital that is not available to absorb losses elsewhere within the group. These restricted funds are allowed to be used to absorb related capital requirements of the Australian insurance liabilities. Due to a decrease in the SCR the restriction decreased by € 1 million.

- Achmea: A Relegation of Tier 3 was recognised. The net DTA related to the Fiscal Unity of Achmea exceeded the 15% of the diversified SCR. The excess amount is deemed not to be eligible to cover de capital requirements of the company. An amount of € 132 million (2023: € 218 million) was not included as part of Tier 3 in the Eligible Own Funds.
- The non-distributable Own Funds of the Dutch care administration offices ('zorgkantoren') increased with € 1 million.

Impact of changes in non-economic assumptions

The developments in the non-economic assumptions were related to the revision of the inflation curve, expense assumptions, an adjustment in mortality assumptions, lapse assumptions and subsequent diversification effects.

The development in the non-economic assumptions was mainly related to Achmea Pensioen- en Levensverzekeringen N.V. (€ 71 million), Achmea Schadeverzekeringen N.V. (€ 51 million), Interamerican Hellenic Life Insurance Company S.A. (€ 8 million) and Union Poistóvna A.S. (€- 2,4 million).

Impact of changes in economic assumptions

Changes in economic assumptions have their main impact on the investment exposures and value of the Technical Provisions. These changes and impacts are seen throughout the whole organisation. The changes in the economic assumptions during 2024 had an overall strong positive impact on the EOF:

For the Life portfolio (mainly Achmea Pensioen- en Levensverzekeringen N.V.) the main changes in the economic assumptions are:
- Decrease in interest rates and Ultimate Forward Rate effect: In 2024 the interest rate decreased. This resulted in an increase of the Best Estimate. This effect is partially offset by the Ultimate Forward Rate effect.
- Volatility Adjustment effect: In 2024 the Volatility Adjustment increased with 3 bps to 23 bps at the end of 2024. This resulted in a decrease of the Best Estimate and an increase of the Eligible Own Funds.
- Ultimate Forward Rate drag: The Ultimate Forward Rate drag expresses the shortfall which occurs as the expected discounting impact of applying the Ultimate Forward Rate during the reporting period has not materialised.
- The UFR reduction in 2024 Q1 from 3.45% to 3.30% resulted in an increase of the Best Estimate.
- Roll forward mortgage saving values.

For the Health portfolio (mainly Achmea Zorgverzekeringen N.V.) the main changes in the economic assumptions are:
- The increase in the value of exposures listed on stock exchanges, incoming credit spreads, decreased interest rates and movements in the portfolio in 2024, increase in value over time and a depreciation of the euro (positive effect on instruments of and a negative effect on currency derivatives. There were also direct investment revenues, interest earned and dividends received. Following the Solvency II principles, receivables with a duration longer than 3 month were discounted.

The developments in Technical Provisions had a negative influence on the Eligible Own Funds due to decreased interest rates.

For the Non-life portfolio (mainly Achmea Schadeverzekeringen N.V. and N.V. Hagelunie), the main changes in the economic assumptions are:
- The impact of the increase in the economic value of the investment portfolio.
- The interest rate for short maturities has fallen sharply, but for medium maturities, it has slightly increased, resulting in a net positive effect on the value of the interest sensitive assets.
- Favourable developments in spreads resulted in positive revaluations of fixed-income securities.

The increase of the VA for the euro resulted in a small decrease of the insurance liabilities.

Also for the Reinsurance portfolio the positive impact of the change in economic assumptions on the EOF is mainly due to the increase in the value of exposure listed on the stock exchange.

The economic value of the assets changed because of changes in the economic parameters. The following economic changes have impacted the economic value of the assets:
- Due to the decreased interest rate and divers spread development, the economic value of the assets increased significantly for the fixed income & interest rate derivatives. Concerning the spreads, the spreads of financials and mortgages decreased and gave a rise to the asset value, corporates and country spreads increased.
- The changes in the economic environment resulted in an overall positive value change for the investments, mainly caused by positive equity and commodity results.

The Other effects (within the remaining companies part of the Group) on the EOF were mainly driven by de decreased interest rates (with a positive impact on the assets), revaluation of property (positive effect), and foreign exchange results (mainly hyperinflation in Türkiye and devaluation of Turkish Lira).

Impact of portfolio developments

Due to the Portfolio developments in 2024 the EOF increased with € 38 million. The portfolio developments mainly relate to developments within Achmea Schadeverzekeringen N.V., Achmea Pensioen- en Levensverzekeringen N.V., Achmea Zorgverzekeringen N.V. and the results of the other entities and Holding expenses.

For Achmea Schadeverzekeringen N.V. (€ 86 million) the technical result was positively affected by the absence of a natural catastrophe, fewer weather-related claims than expected, and fewer large fires than expected. Additionally, the profitability of private lines recovered in 2024 due to increased prices introduced at the start of the year to curve the impacts of amongst others the high level of inflation. The main downside of 2024 arose in Health business with required strengthening op provisions, especially for the WIA portfolio. Uncertainty in this portfolio remains as UWV has notified the market that mistakes have been made in de previous years. These mistakes can have a positive or negative impact on Achmea. Other negative portfolio developments arose from an increase in provisions for bodily injury claims and material claims within private lines, with increasing claims frequency and higher average amounts due to inflation. Other changes including deferred tax.

The positive portfolio developments of Achmea Pensioen- en Levensverzekeringen N.V. (€ 49 million), consist of:

- The release of the Risk Margin as a result of the decline in portfolio resulting from the closed book strategy.
- Additional provision for liabilities that will be modelled in 2025.
- Portfolio developments mortgages saving values.

The difference between actual expenses and the release of expenses in the Best Estimate (including cost overrun) not caused by the changes in the expense assumptions had a positive impact on the EOF.

The portfolio developments within Achmea Zorgverzekeringen N.V. decreased the EOF of Achmea with €- 52 million. The effect of portfolio developments mainly driven by the expected result of 2025, the development in the expected result of 2024, the development in the expected result of prior years and the increase of the Risk Margin compared to FYR 2023.

Under portfolio developments, Achmea includes the development within the entities presented as a single line item (Other Financial sector and Other entities) such as Achmea Bank N.V. The issue of the Tier 2 capital by Achmea Bank N.V. ((€ 126 million); the inclusion of the ‘results for the year after approval by the auditors and after expected dividend payments’ by Achmea Bank N.V. (€ 31 million) and the acquisition of the Blue Sky Management group entities are included under this heading.

The results of the other entities and the Holding expenses resulted in a decrease in the EOF.

Impact of other changes including deferred tax

The other components recognised under ‘other’ relate to changes in the deferred taxes resulting from changes in the economic value of the balance sheet items.

E.1.3. BRIDGE OWN FUNDS FINANCIAL STATEMENTS – ECONOMIC BALANCE SHEET

RECONCILIATION EQUITY FINANCIAL STATEMENTS - BASIC OWN FUNDS SII

€ MILLION

	2024	2023	Δ
Equity Financial statements	9,415	8,980	435
Subordinated liabilities in Basic Own Funds*	500	1,250	-750
Own shares (held directly)	183	421	-238
Total Financial statements excess of assets over liabilities (IFRS adjusted)	9,098	8,151	947
Intangible assets and goodwill	-786	-780	-5
Investments	132	-6	138
Deferred tax assets	107	-93	200
Deferred acquisition costs	0	-0	0
Banking Credit Portfolio	0	0	0
Reinsurance recoverables	-314	-236	-79
Receivables	-60	-455	395
Other assets	153	227	-73
Technical provisions	1,509	1,942	-433
Other provisions	-8	0	-9
Deferred tax liabilities	-118	-12	-106
Financial liabilities	9	102	-93
Payables	119	94	25
Other liabilities	-930	-692	-238
Total delta valuation Financial statements - SII	-186	93	-279
Other	0	0	0
Total excess of assets over liabilities	8,912	8,244	668

1 The subordinated liabilities in basic Own Funds of € 1,250 million are the subordinated liabilities eligible for IFRS and are therefore deducted to calculate Total excess over liabilities

The starting point for the Reconciliation is the IFRS consolidated balance sheet of Achmea Group as audited. All balance sheet items are remeasured (where appropriate) according to Solvency II valuation principles. The 'Excess of assets over liabilities' has been calculated net of any intragroup positions except for the intragroup positions included in the entities which are classified as participations on the Economic Balance Sheet, such as the Credit institutions and Other entities within the meaning of the Capital Requirements Directive, the Institutions for Occupational Retirement Provisions (IORPs) and Non Ancillary Entities.

Intangible assets

All recognised intangible assets are valued at their economic value. Achmea uses the value as presented in the IFRS financial statements for such intangibles as a proxy for the value in the Economic Balance Sheet. Notwithstanding this definition, goodwill and intangible assets obtained by means of a business combination are valued at nil.

Investments

In the Consolidated IFRS financial statements, Achmea either measures or discloses the fair value of its investments. For most of the financial investments, the fair value is deemed to be a good proxy for the economic value. For some of the investments the IFRS value is adjusted to reflect the economic value.

- Some mortgage saving assets, which are measured according to fair value under IFRS. These assets are remeasured to their economic value. On the liability side this is considered part of the technical provisions.
- The unlisted equity investment in Garanti BBVA Emeklilik: Under IFRS Garanti BBVA Emeklilik is recognised as a participation and measured on a net asset value basis. Under Solvency II, Garanti BBVA Emeklilik is classified as an equity investment. The economic value is determined based on a mix of a Dividend Discount Model and Comparable Company Analysis, while under IFRS Garanti BBVA Emeklilik is a participation and measured at their net asset value.

- Achmea Bank has issued a Tier 2 loan which increases the EOF of Achmea Bank N.V. Achmea bank N.V. is included as a single line item on the Economic Balance Sheet of Achmea while under IFRS, a line-by-line consolidation is applied.

The remeasurement regards mainly the unlisted equity investment in Garanti BBVA Emeklilik: Under IFRS Garanti BBVA Emeklilik is recognised as a participation and measured on a net asset value basis. Under Solvency II, Garanti BBVA Emeklilik is classified as an investment as the equity interest is 15% and measured accordingly.

Deferred acquisition costs

The deferred acquisition costs are valued nil.

Receivables

Under IFRS17 and Solvency II differences exists with respect to balance sheet positions included under receivables and the technical provisions. The differences relate to cash flows stemming from policyholder debtors and cash flows stemming from the Dutch Health risk equalisation system. For Achmea health the receivables ‘past due’ (duration longer than 3 months) are discounted.

Other assets

Solvency II recognises ‘Own Shares’ as a separate asset. The own shares are measured at cost in the IFRS balance sheet and revalued at their economic value in the Economic Balance Sheet for solvency II purposes.

Financial liabilities

Financial liabilities that are measured at amortised cost in the IFRS balance sheet are revalued at their economic value, with the exception of the effect of changing Achmea’s own creditworthiness since the recognition date.

Payables and Other liabilities

The remeasurement refers to insurance payables and other (related to insurance) liabilities which are ’not due’ are recognised as part of the Best Estimate.

Deferred Tax Assets and Liabilities

Following the Solvency II valuation principles amounts are added to the DTA/DTL. Achmea assesses the recoverability of these additions, in conjunction with the changes in the Deferred Tax Liability and the LACDT (recoverability analysis, in order to avoid double counting). Each addition to the deferred tax due to the valuation differences is calculated as that change in valuation multiplied by the enacted tax rate of the appropriate fiscal regime applicable to the member State in which Achmea operates.

Technical Provisions and Reinsurance Recoverables

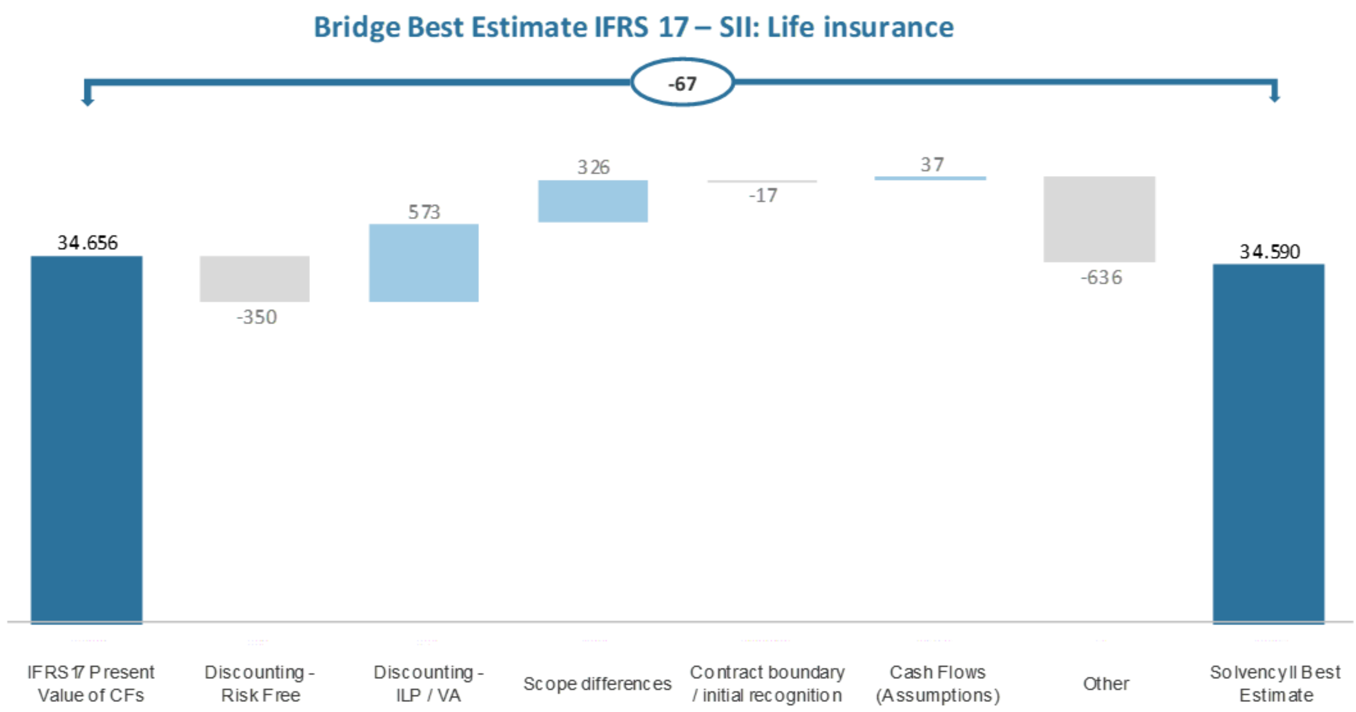
Technical Provisions are re-measured when applying Solvency II valuation principles. The main valuation differences between IFRS and Solvency II Technical Provisions and Reinsurance Recoverables are given by:

- IFRS17 Technical Provisions includes a Contractual Service Margin. Within SII, the profit margin in expected premiums is included in the Own Funds (EPIFP).
- The Solvency II Technical Provisions are discounted with a different risk-free discount rate
    - The Last Liquid Point (LLP) under IFRS17 is 30 years. For Solvency II, the determined LLP of 20 years is used.
    - The Credit Risk Adjustment (CRA) is applied as a parallel shift downwards over the whole of the curve under IFRS17 and only up to the LLP under SII and then subject to the extrapolation.
    - The extrapolation after the LLP is towards an UFR which is reached at 50 years. Under Solvency II, the UFR is reached at 90 years.
    - The UFR are calculated based on the same data. However, for IFRS17 a ‘rolling window’ of 30 years is used, while under Solvency II an ‘expanding window’ is used (each year a new datapoint is added to the data series). The UFR under IFRS 17 is 2.4%, while under SII an UFR of 3.45% is used.
- Solvency II uses a VA added up to the LLP and then subject to the extrapolation, while IFRS17 uses an Illiquidity premium (ILP) which differs from the VA and is time dependent. Under IFRS17, the ILP is based on the specific characteristics of the investment portfolio and liquidity characteristics of Achmea, while under SII this is based on the reference portfolio for the currency zone.
- Difference in contract boundary: The Solvency II calculation includes all policies that are known at that time, including those that have an effective date after the calculation date. In IFRS17, only those policies up to the calculation date are included.
- The Solvency II investment expense assumption is based on the actual investment portfolio, while the IFRS17 investment expense assumption is based on the strategic investment portfolio.
- The Solvency II Cost-of-Capital factor to calculate the Risk Margin is 6%, whereas 4.5% is used in the IFRS17 Risk Adjustment;

- IFRS17 uses a time diversification to calculate the Risk Adjustment. Under Solvency II the application of time diversification is not allowed.
    - o Part of the Operational Risk is included in the calculation of the Risk Adjustment in IFRS17 based on the Operational Risk allocated to insurance policies, while the entire Operational Risk is included in the calculation of the Risk Margin of Solvency II.

In the section below, so called waterfalls are presented, highlighting the main components of differences between IFRS17 and SII.

Life insurance



The SII Best Estimate is € 67 million lower than the IFRS17 Present Value of cash flows.

Discounting

Under SII, the Risk-free discount rate is higher than the IFRS17 risk free discount rate. Under SII, the UFR is higher (SII: 3.30%, IFRS17: 2.25% for most currencies, e.g. EUR) and the last liquid point is earlier (SII: 20 years, IFRS17: 30 years). This accounts for a lower SII Best Estimate (€- 350 million).

Under SII, a VA of 23 bps is used. Under IFRS17, the Illiquidity premium is time dependent and differs from 78 bps (2023: 49 bps) for short term liabilities to 24 bps (2023: 20 bps) for long term liabilities. Furthermore, the ILP is added to the IFRS17 interest rate curve including UFR, while for Solvency II the UFR is applied to the interest rate curve including VA. Overall the VA is lower than the illiquidity premium, accounting for a € 573 million higher SII Best Estimate. Not all insurance entities within Achmea apply a VA under SII. This is exactly the same for IFRS17 with respect to the application of the ILP.

Scope differences

For Achmea Pensioen- en Levensverzekeringen N.V. scope differences is mainly related to the items classified as Liability For Incurred Claims (LFIC) under IFRS17 and Best Estimate under Solvency II (€ 269 million). For Interamerican Hellenic Insurance Company S.A., the Unit Linked portfolio is classified as an investment contract under IFRS17 instead of an insurance contract (€ 135 million). Union Zdravotna Poist'ovna A.S. is included as a IFRS17 Best Estimate. Based on SII regulation it is classified as Institution for Occupational Retirement Provisions (€- 78 million).

Contract boundary and initial recognition

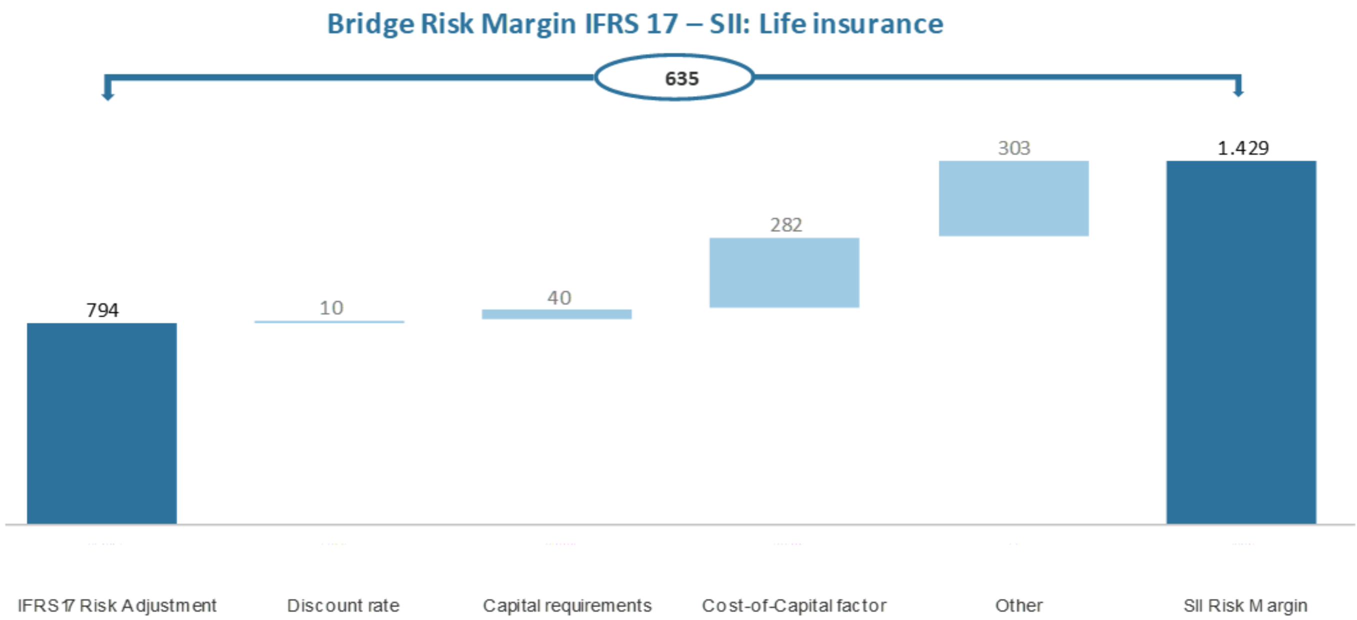
The contract boundary differences occur within the Health SLT portfolio of Achmea Schadeverzekeringen N.V. as a result of a difference in recognition and the unearned premium reserve for SII which includes future profits and leads to a lower SII Best Estimate (€- 25 million). For Union Poisťovna A.S., the SII Best Estimate is € 9 million lower due to contract boundaries of health riders in life products.

Cashflows

The SII Best Estimate is € 37 million higher due to cashflow (assumptions) differences. For Achmea Pensioen- en Levensverzekeringen N.V., the difference in the level of the investment expenses (SII: 9.5 bps, IFRS17: 8.1 bps) results in a higher SII Best Estimate (€ 34 million) and the mortgage savings valuation results to € 5 million higher SII Best Estimate. For Achmea Schadeverzekeringen N.V., this mainly concerns valuation differences in premiums to be invoiced (€ 5 million). For Interamerican Hellenic Insurance Company S.A., premium receivables, insurance tax payable and claims payable to policyholders result in a lower SII Best Estimate (€- 4 million).

Other

Other differences (total €- 636 million) are mainly caused by a part of the liability for incurred claims of Achmea Pensioen- en Levensverzekeringen N.V., a difference in the treatment of unmodelled provisions and other (minor) valuation differences.



Capital requirements

The main difference in Capital Requirements (€ 40 million) is due to the Operational Risk. Under IFRS17, only the Operational Risk attributable to the policies is required. Within Achmea Pensioen- en Levensverzekeringen N.V. the Operational Risk attributable to policies is estimated at 50% of the total Operational Risk of Solvency II (€ 43 million). Furthermore, €- 7 million due to long term treatment of health riders in IFRS17 for Interamerican Hellenic Insurance Company S.A.

Cost-Of-Capital Factor

The Cost-of-Capital factor is 6%, whereas 4.5% is used in the IFRS17 Risk Adjustment. This accounts for a difference of € 282 million.

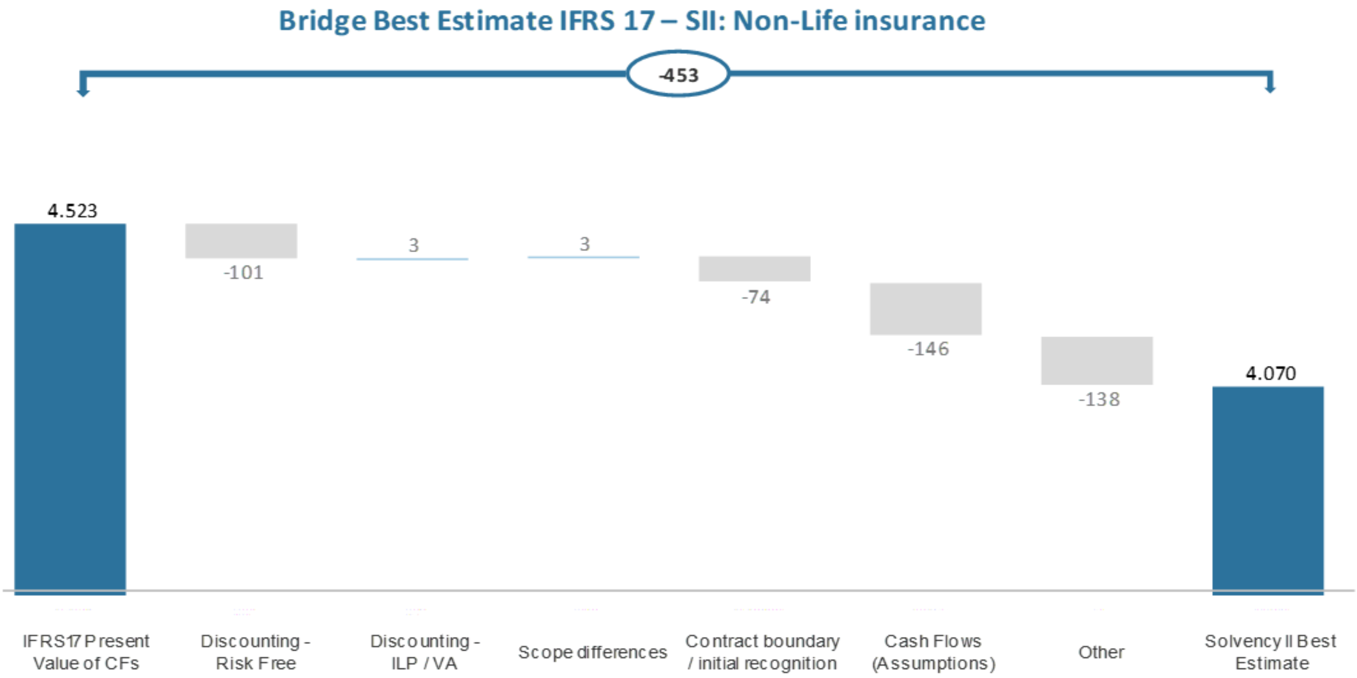
Other

Within Other, the main difference is due to the reduction of IFRS17 projected capitals by 2.5% a year because of time diversification. Under SII time diversification is not allowed. Therefore the SII Risk Margin is € 187 million higher. Additionally, for Achmea Pensioen- & Levensverzekeringen N.V. an add-on of € 166 million applies for estimation differences (risk drivers instead of full projection) and a difference of €- 55 million due to methodological differences (e.g. granularity and risk driver patterns).

€ MILLION

	2024	2023
IFRS CSM	1,028	1,076

Non-Life insurance



The SII Best Estimate is € 453 million lower than the IFRS17 Present Value of cash flows.

Discounting

Under SII, the Risk-free discount rate is higher than the IFRS17 risk free discount rate. Under SII the UFR is higher (SII: 3.30%, IFRS17: 2.25%) and the last liquid point is earlier (SII: 20 years, IFRS17: 30 years). This accounts for a lower SII Best Estimate of € 101 million.

Under SII a VA of 23 bps is used, under IFRS17 the Illiquidity premium is time dependent and differs from 78 bps (2023: 49 bps) for short term liabilities to 24 bps (2023: 20 bps) for long term liabilities. Overall the VA is lower than the illiquidity premium, accounting for a € 3 million higher SII Best Estimate.

Scope differences

The scope differences is a result of 'money transfers' for Achmea Schadeverzekeringen N.V. (€- 35 million) and N.V. Hagelunie (€ 22 million). Furthermore, premium debtors of the Agricultural Insurance Pool and Turkish Catastrophe Insurance Pool are not included in IFRS17 for Eureko Sigorta A.S. (€ 10 million).

Contract boundary and initial recognition

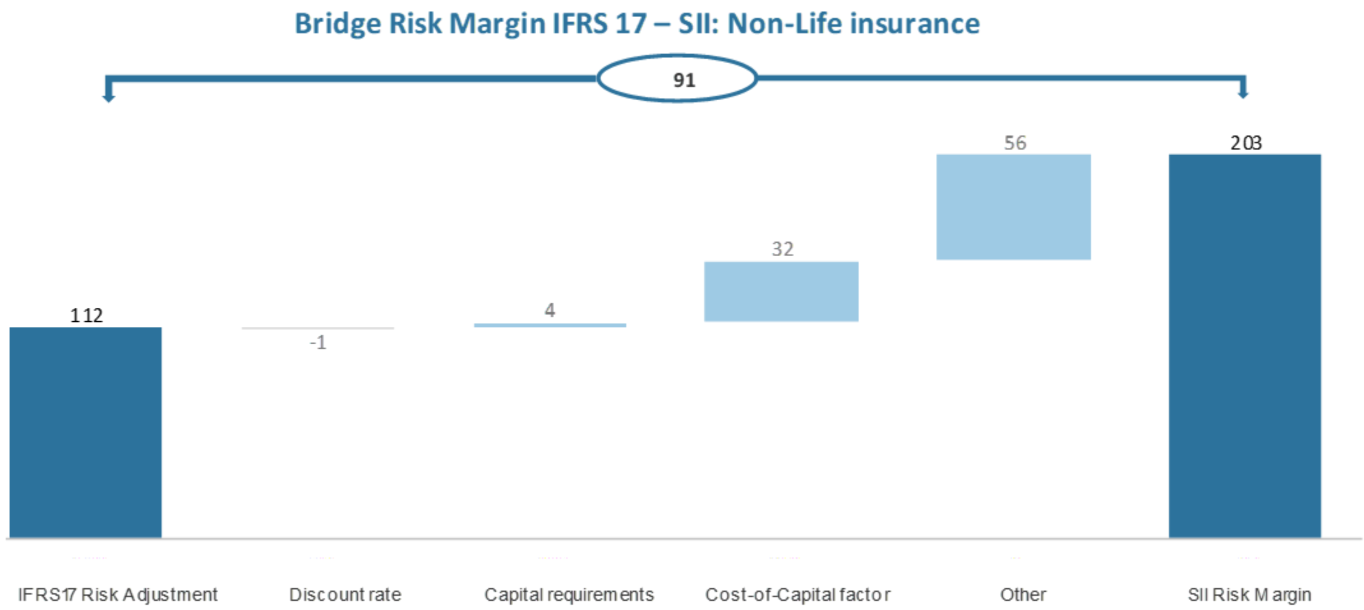
The contract boundary difference is due to a difference in recognition and the unearned premium reserve for SII which includes future profits and leads to a lower SII Best Estimate for Achmea Schadeverzekeringen N.V. (€- 66 million) and N.V. Hagelunie (€- 8 million).

Cashflows

The SII Best Estimate is € 146 million lower due to cashflow (assumptions) differences. Premiums yet to be billed and other debtors result in a lower SII Best Estimate for Achmea Schadeverzekeringen N.V. (€- 75 million), Interamerican Hellenic Insurance Company S.A. (€- 31 million) and N.V. Hagelunie (€- 9 million). The impact of Achmea Reinsurance Company N.V. and Eureko Sigorta A.S. account for €- 25 million and €- 13 million respectively.

Other

Other differences (total €- 138 million) are mainly caused by a difference in the treatment of unmodelled provisions and other valuation differences in premium reserves between SII and IFRS17.



The SII Risk Margin is € 91 million higher than the IFRS17 Risk Adjustment.

Cost-of-Capital factor

The Cost-of-Capital factor is 6%, whereas 4.5% is used in the IFRS17 Risk Adjustment. This accounts for a difference of € 32 million.

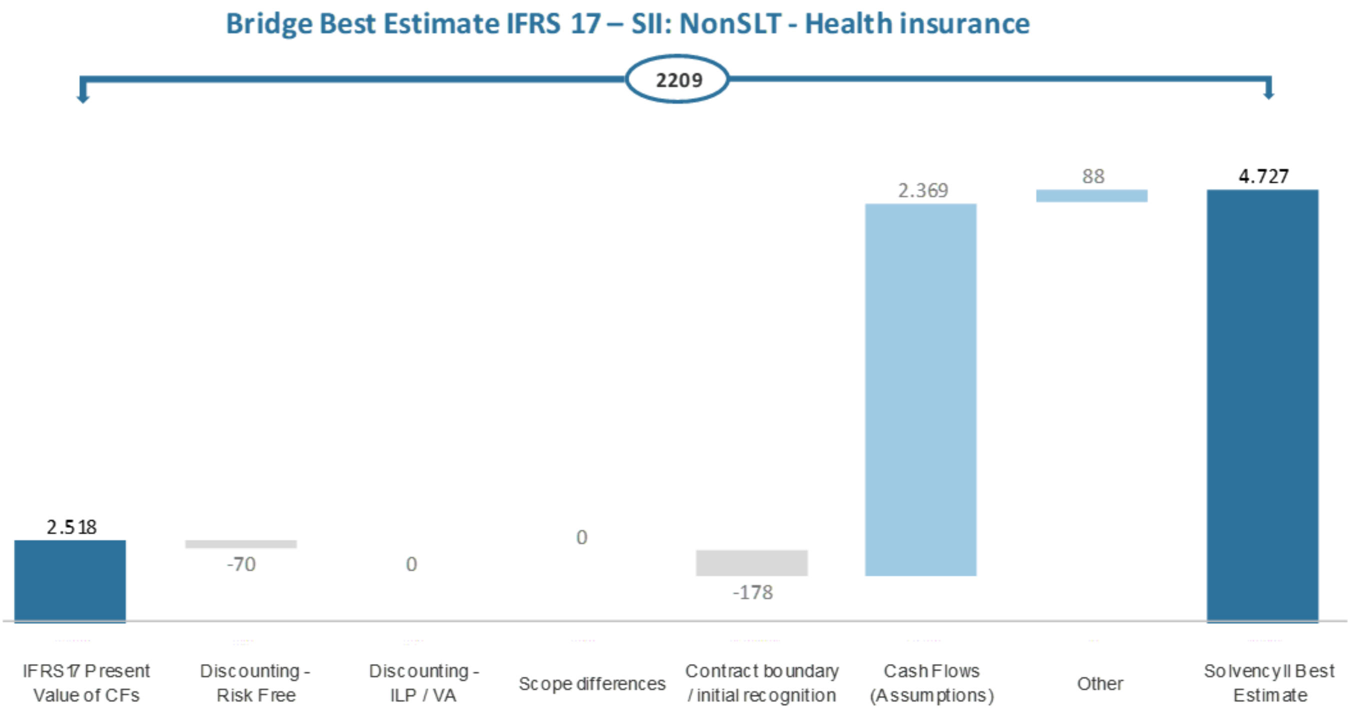
Other

Other differences (€ 56 million) are mainly due to the inclusion of the Risk Adjustment implicitly incorporated within the PAA premium provision and the absence of a time diversification factor within SII, especially for Achmea Schadeverzekeringen N.V. (€ 28 million), and scope and methodological differences (e.g. granularity and risk driver patterns).

€ MILLION

	2024	2023
IFRS CSM	108	152

NONSLT - HEALTH INSURANCE



The SII Best Estimate is € 2,209 million higher than the IFRS17 Present Value of cash flows.

Discounting

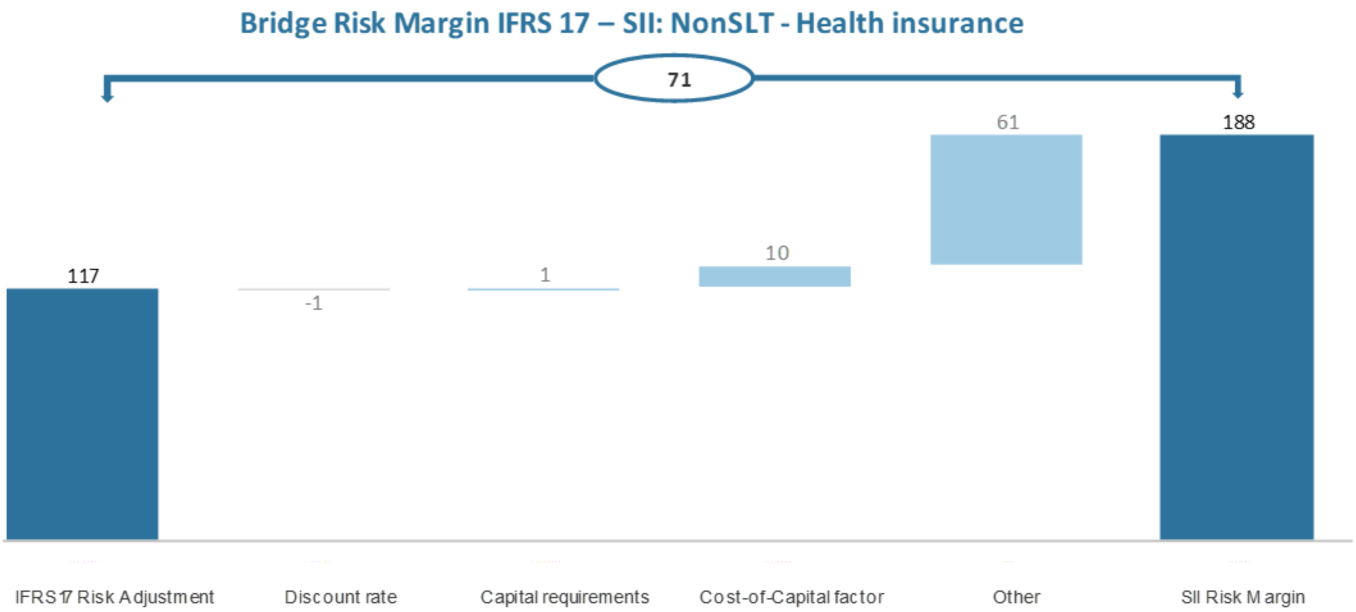
The effect of discounting mainly occurs within the Dutch Healthcare business. Under IFRS17 the claim cash flows for Health NSLT are not discounted, under Solvency II they were fully discounted (€- 70 million).

Contract boundary and initial recognition

The effect of contract boundary and initial recognition (€- 178 million) is mainly caused by the Dutch Healthcare business where under IFRS17 only the ’expected loss’ component is included and under Solvency II both ’expected profits and losses’ are included in the valuation.

Cash flows

Item cash flows (€ 2,369 million) represents that for IFRS17 the expected budget premium (ex-ante) of the Dutch Healthcare Institute is part of the Best Estimate for the Dutch Healthcare business. This is not the case under SII. The impact of permanent advances to healthcare providers is also part of the cash flows under IFRS17 for the Dutch healthcare business and not for SII.



The SII Risk Margin is € 71 million higher than the IFRS17 Risk Adjustment.

Cost-of-Capital factor

The Cost-of-Capital factor is 6%, whereas 4.5% is used in the IFRS17 Risk Adjustment. This accounts for a difference of € 10 million.

Other

Other differences (€ 61 million) are methodological differences (SII top-down vs IFRS17 bottom-up approach, different granularity, different add-ons).

€ MILLION

	2024	2023
IFRS CSM	10	14

E.1.4. SOLVENCY RATIO

SOLVENCY RATIO

€ MILLION

	2024	2023	Δ
Eligible Own funds	10,039	8,848	1,191
Total Group Solvency Capital Requirement	5,526	4,840	686
Surplus	4,513	4,008	505
Ratio (%)	**182%**	**183%**	**1%-pt**

E.1.4.1. ALTERNATIVE SCENARIOS

SOLVENCY POSITION EXCLUDING THE USE OF THE VOLATILITY ADJUSTMENT

Achmea applies the VA. The VA is not applied by the Dutch Health insurance legal entities, Achmea Reinsurance Company N.V. and Interamerican Assistance General Insurance Company S.A. (based on proportionality reasons). Applying the VA in Türkiye is not allowed in accordance with the applicable Solvency II Regulation, therefore the VA is not applied by Eureko Sigorta A.S.

IMPACT OF VOLATILITY ADJUSTMENT ON SOLVENCY RATIO

€ MILLION

	INCLUDING VOLATILITY ADJUSTMENT		EXCLUDING VOLATILITY ADJUSTMENT		IMPACT VA	
	2024	2023	2024	2023	2024	2023
Eligible Own Funds	10,039	8,848	9,562	8,466	478	382
Total Group Solvency Capital Requirement	5,526	4,840	6,692	6,086	-1,166	-1,246
Surplus	4,513	4,008	2,870	2,381	1,643	1,628
Ratio (%)	**182%**	**183%**	**143%**	**139%**	**39%-pt**	**44%-pt**

The VA is published by EIOPA and endorsed by the European Commission. At year-end 2024 a VA of 23 bps (2023: 20 bps) is used.

The use of the VA has an impact on the value of the Best Estimate of the Insurance obligations. Not using the VA results in a higher value of the Best Estimate. The increase of the insurance liabilities also increases the DTA. The overall effect on the EOF is negative.

Not using the VA has impact on the capital requirements for Market Risk and Underwriting Risk. Achmea has modelled a DVA as part of the PIM for Market Risk. Not using the VA, implies that the DVA may not be used when calculating the Spread Risk. The increase in Best Estimate results in a higher capital requirement where the Best Estimate is used as input.

Excluding the VA and DVA would result in changes in the valuation insurance liabilities due to the adjusted discounting curve and changes in the capital requirements for Market Risk. As a result of the change in valuation, the asset mix is not aligned with the insurance liabilities leading to a disproportionate increase of the capital requirement for Market Risk. Furthermore, the Risk Profile of the government bonds and mortgage loans are not in line with the capital requirements i.e. the capital requirements are extremely high compared to the actual risks embedded in these exposures.

Therefore, Achmea is of the opinion that the resulting capital requirement without VA and DVA is not an appropriate reflection of the Risk Profile.

SENSITIVITIES ULTIMATE FORWARD RATE

The UFR is part of the relevant Risk-free interest rate used to discount the Best Estimate. In the calculations per 31 December 2024, an UFR of 3.30% (2023: 3.45%) is used. The UFR will remain at 3.30% per 1 January 2025. As part of risk management activities the sensitivity of the Solvency position related to the underlying assumptions of the relevant Risk-free interest discount rate is assessed.

The impact on the solvency ratio of using an UFR of 3.30% or not using an UFR is presented below.

IMPACT ULTIMATE FORWARD RATE ON SOLVENCY RATIO

€ MILLION

	INCLUDING ULTIMATE FORWARD RATE		NO ULTIMATE FORWARD RATE		IMPACT ULTIMATE FORWARD RATE	
	2024 (3,30%)	2023 (3,45%)	2024	2023	2024	2023
Eligible Own Funds	10,039	8,848	9,658	8,446	381	402
Total Group Solvency Capital Requirement	5,526	4,840	5,571	4,875	-45	-35
Surplus	4,513	4,008	4,087	3,570	426	438
Ratio (%)	182%	183%	173%	173%	9%	10%

The higher value of the Best Estimate has an increasing impact on the SCR. The impact of the UFR is mainly visible in the Life insurance portfolio (long-tail business in Life Underwriting Risk). The impact on the deferred taxes and SCRs also has an impact on the size of the LACDT.

E.1.5. SOLVENCY POSITIONS SUPERVISED LEGAL ENTITIES

Achmea determines a Solvency position for each individual supervised legal entity. The following Solvency positions are calculated for the supervised entities of Achmea.

LIFE INSURANCE ENTITY

Achmea Pensioen- en Levensverzekeringen N.V.

SOLVENCY RATIO

€ MILLION

	2024	2023	Δ
Eligible Own Funds	3,130	2,614	516
Solvency Capital Requirement	1,786	1,475	311
Surplus	1,344	1,139	205
Ratio (%)	**175%**	**177%**	**-2%**

The decrease in the level of the interest rates, lower spreads and a slightly higher Volatility Adjustment have a net positive impact on the EOF. The increase in the value of equity exposures resulted in a further increase of the EOF.

The changes in non-economic assumptions have a positive impact on the EOF. This was mainly caused by changes in mortality assumptions (positive impact on EOF), the change of the expense inflation curve (curve decreased, with positive impact on EOF), the change of expense assumptions (resulted in an increase of the best estimate and a negative impact on the EOF).

Portfolio developments and a reduction in the Relegation of Tier 3 as a result of tax loss realisation increased the EOF.

The dividend paid based on the performance of 2023 resulted in a decrease in the Eligible Own Funds.

The SCR increased because of the impact of the reversal of the de-risking exercise and the further implementation of the Investment Plan for 2024. The higher economic value of the investments and the recalibration of the PIM resulted in an increase of the SCR for Market Risk. The decrease of the relevant Risk-free interest rate increased the capital requirements were the Best Estimate is an input.

NON-LIFE INSURANCE ENTITIES

Achmea Schadeverzekeringen N.V.

The SCR of Achmea Schadeverzekeringen N.V. is determined using a PIM for the Non-Life Premium- and Reserve Risk, Natural Catastrophe Risk, the SLT Health Risk (with the exception of SLT Health Mortality, Longevity, Lapse and Expense Risk) and for Interest Rate Risk, Equity Risk, Property Risk and Spread Risk. The other components of the SCRs are calculated using the SF. Achmea Schadeverzekeringen N.V. uses the VA when determining the Best Estimate of the insurance obligations.

Achmea Schadeverzekeringen N.V. has a branch selling insurance contracts in Australia, in Spain and Germany insurance contracts are sold via the brand InShared. Achmea Schadeverzekeringen N.V. has a 20% capital share in insurer De Vereende.

SOLVENCY RATIO

€ MILLION

	2024	2023	Δ
Eligible Own Funds	1,468	1,323	145
Solvency Capital Requirement	938	927	10
Surplus	531	395	135
Ratio (%)	**157%**	**143%**	**14%**

The SII ratio of Achmea Schadeverzekeringen N.V. increased compared to Q4 2023. Key developments include increases in the economic value of the investment portfolio, impact of the annual calibration of risk factors of the underlying risks in the internal model, higher than expected technical result over 2024 and increased expected profits for 2025 within the applied budget 2025, offset by impact of the renewal of the reinsurance contracts. The renewal ending with a higher retention on the per risk contracts and the termination of the WIA reinsurance contract.

Eligible Own Funds increase is caused by a positive economic development of the investment portfolio, mainly due to favourable developments in fixed income securities and equities investments, and the higher than expected positive technical result. The other own funds effects are mainly the tax effect on the SII results.

Achmea has included 20% of the SII capital requirement of insurer De Vereende in the SCR Other entities (€ 4 million). The adjusted equity value corresponding to the 20% interest in the entity De Vereende was part of the EOF (€ 8 million). The solvency ratio of De Vereende year-end 2024 is 229%. De Vereende uses the Standard Formula, which is used as reference by Achmea in the calculation of the capital requirement. De Vereende doesn't use the Volatility Adjustment (VA) and any other transitionals.

The SCR on a net basis increased slightly (€ 10 million). The capital requirement for Market Risk increased because of the impact of the re-risking exercise, the further implementation of the Investment Plan for 2024, the higher economic value of the investments and the recalibration of the PIM. The capital requirements for SLT health underwriting increased due to the recalibration and the non-renewal of the WIA reinsurance contract. The capital requirement for Non-Life Underwriting Risk decreased on a net basis. The change in the own retention included in the reinsurance contracts and higher volume factors increased the related capital requirement while the recalibration resulted in a decrease of the capital requirements. Due to premium increases, the LACEP for underwriting risk increased.

N.V. Hagelunie

SOLVENCY RATIO

€ MILLION

	2024	2023	Δ
Eligible Own Funds	210	167	43
Solvency Capital Requirement	68	69	-1
Surplus	142	98	44
Ratio (%)	**308%**	**241%**	**67%**

Eligible Own Funds mainly increased as a result of positive underwriting results, due to the absence of major claims and other catastrophes, and positive investment results. As a result of tax effects the Own Funds decreased.

The SCR decreased by € 1 million. This is primarily due to an increased impact of the LACEP Underwriting Risk due to higher profit expectations in the rolling budget for 2025, portfolio developments, and the revised valuation of future reinsurance contracts. This effect is partially offset by an increase in Market Risk due to higher Equity Risk.

Eureko Sigorta A.S.

SOLVENCY RATIO (LOCAL REGIME)

€ MILLION

	2023	2022	Δ
Eligible Own Funds	77	78	-1
Solvency Capital Requirement	59	49	10
Surplus	17	29	-11
Ratio (%)	**129%**	**159%**	**-30%**

Eureko Sigorta A.S. is a Turkish insurance legal entity which sells insurance contracts outside the European Union. Türkiye is a non-equivalent Third country. For group purposes, Achmea translates the balance sheet towards Solvency II principles and applies the Solvency II requirements to determine the contribution to the group Solvency position.

The capital requirements based on the local Turkish prudential regime is determined on a risk-based manner. The various exposures as presented on the local balance sheet are multiplied by a predetermined percentage (factor based approach). The Turkish prudential regulation identified the following risk types: Asset Risk, Reinsurance Risk, Excessive premium increase Risk, Outstanding claim Risk, Underwriting Risk and Foreign Currency Risk. The Required Capital is the sum of these risks

In 2024, the required capital based on local prudential legislation increased. Market Risk increased mainly due to the increase in the investment exposure due to an increased Concentration Risk as a result of a limited number of possible counterparties. Non-Life Risk increased due to premium increases in Fire and Motor TPL branches. Natural Catastrophe Risk increased due to the renewal of the Surplus Treaty as the participating counterparties in the reinsurance program have been changed. This is partially offset by the decrease in Man-Made Catastrophe Risk due to the change of the fire scenario. Counterparty Default Risk decreased, mainly due to the decrease of Cash and overnight deposit amounts.

Interamerican Assistance General Insurance Company S.A.

SOLVENCY RATIO — € MILLION

	2024	2023	Δ
Eligible Own Funds	16	15	1
Solvency Capital Requirement	12	10	1
Surplus	4	5	-1
Ratio (%)	**136%**	**146%**	**-10%**

In 2024 the solvency ratio decreased by 10%-pt compared with 2023. Eligible Own Funds have increased mainly driven by the entity’s positive results and portfolio developments.

SCR increased by € 1 million. Counterparty Default Risk Type II increased as a result of higher intercompany receivables. Non-Life Underwriting Risk increased due to increased Premium Risk and Lapse Risk as a result of the increased portfolio.

HEALTH INSURANCE ENTITIES

In the Netherlands, basic and supplementary healthcare insurance is offered via dedicated entities. Achmea manages these entities via one organisational division (division Zilveren Kruis). In this respect the consolidated solvency position of Achmea Zorgverzekeringen N.V. consolidated is calculated via a look-through approach (sub-consolidation).

Within Achmea Zorgverzekeringen N.V. consolidated the following insurance entities are consolidated: FBTO Zorgverzekeringen N.V., De Friesland Zorgverzekeraar N.V., Interpolis Zorgverzekeringen N.V. and Zilveren Kruis Zorgverzekeringen N.V., which offer basic healthcare insurance only. Achmea Zorgverzekeringen N.V. consolidated is the parent and offers supplementary healthcare insurance and is not deemed to be an Insurance Holding Company.

The SCR is calculated with the SF and no VA has been applied. No Internal Model is used at the level of the individual Health insurance entities.

Achmea Zorgverzekeringen N.V. (Consolidated)

The following table presents the solvency ratio of Achmea Zorgverzekeringen N.V. at year-end 2024 and year-end 2023.

SOLVENCY RATIO — € MILLION

	2024	2023	Δ
Eligible Own Funds	4,214	3,958	256
Solvency Capital Requirement	2,629	2,445	184
Surplus	1,585	1,513	72
Ratio (%)	**160%**	**162%**	**-2%**

The Solvency Ratio decreased by 2%-pt compared to last year. Both the Eligible Own Funds and the Required Capital increased, where the latter is the dominant factor in the decrease of the Solvency Ratio.

The increase of the EOF was mainly due to positive developments in the stock markets.

The SCR of Achmea Zorgverzekeringen N.V. increased compared to FYR 2023. Market Risk mainly increased due to an increase in Equity Risk, Interest Rate Risk and Spread Risk. Counterparty Default Risk increased as the result of a higher debtor position with policyholders. Health Underwriting Risk mostly due to an increase of the combined Premium and Reserve Risk. Operational Risk increased as a direct consequence of the increase in premium volume in 2024.

The Solvency Ratios of the individual insurance legal entities of Achmea Zorgverzekeringen are as follows:

SOLVENCY RATIO'S INDIVIDUAL HEALTH ENTITIES %

ENTITY	2024	2023	Δ
Achmea Zorgverzekeringen N.V.	442%	445%	-2%
FBTO Zorgverzekeringen N.V.	147%	186%	-39%
De Friesland Zorgverzekeraar N.V.	142%	137%	5%
Interpolis Zorgverzekeringen N.V.	181%	176%	4%
Zilveren Kruis Zorgverzekeringen N.V.	133%	135%	-2%

Achmea Zorgverzekeringen N.V. (non-look-through)

The Eligible Own Funds (EOF) increased by € 256 million compared to FYR 2023. This was mainly due to changes in economic assumptions (increase of € 203 million, mainly increased value of exposures listed on the stock exchanges and decreased interest rates) and portfolio developments within the insurance liabilities (increase of € 52 million, mostly due to the expected result of 2025 (€ 82 million) and the expected result of prior years (€ 5.1 million), partly offset by development in the expected result of 2024 (€- 34 million)).

The SCR of Achmea Zorgverzekeringen N.V. increased by € 62 million. Market Risk increased by € 59 million, mainly due an increase in Equity Risk because of the increased value of strategic participations (subsidiaries), the purchase of stocks and due to an increased economic value of the equity exposures. Counterparty Default Risk increased by € 8 million mainly due to an increase of type 1 exposures (higher cash and cash equivalents). Health Underwriting Risk increased by € 1 million, mainly due to cost inflation and an increase in the number of insured with supplementary health care.

FBTO Zorgverzekeringen N.V.

The EOF increased by € 14 million compared to FYR 2023. This was mainly due to an agio deposit and an agio payback (net increase of € 47 million), changes in economic assumptions (increase of € 24 million, mainly increased value of exposures listed on the stock exchanges and decreased interest rates) and portfolio developments within the insurance liabilities (decrease of € 37 million, mostly due to a change in the expected result of 2024 (€- 64 million)). There was an early repayment to De Friesland Zorgverzekeraar N.V. of the subordinated loan of € 20 million. In 2023 this loan was classified as Tier 2 within the Eligible Own Funds.

The SCR of FBTO Zorgverzekeringen N.V. increased by € 69 million. Market Risk increased by € 7 million, mainly due to an increase in Spread Risk and Equity Risk. Counterparty Default Risk increased by € 7 million mainly as a result of a higher debtor position with policyholders. Health Underwriting Risk increased by € 26 million. Premium Risk increased due to healthcare cost inflation and an increase in the number of insured. At the same time the expected claim amount for accident year 2024 was 90% higher than for accident year 2023. This resulted in an increase of the Best Estimate Claim Provision. Operational Risk also increased by € 37 million due to the large increase in premium volume for accident year 2024.

De Friesland Zorgverzekeraar N.V.

The EOF increased by € 53 million compared to FYR 2023. This was mainly due to an agio deposit of € 25 million, an early repayment of the subordinated loan to FBTO Zorgverzekeringen N.V. of € 20 million, changes in economic assumptions (increase of € 31 million, mainly increased value of exposures listed on the stock exchanges and decreased interest rates) and portfolio developments within the insurance liabilities (decrease of € 23 million, mostly due to a change in the expected result of 2024 (€- 26 million)).

The SCR of De Friesland Zorgverzekeraar N.V. increased by € 29 million. Market Risk increased by € 8 million. All market risk components increased, with the biggest impact by the increase in Equity Risk due to the purchase of and an increased economic value of the equity exposures. Counterparty Default Risk increased by € 6 million, mostly due to higher cash and cash equivalents. Health Underwriting Risk increased by € 17 million. Premium Risk increased due to healthcare cost inflation and an increase in the number of insured. Reserve Risk increased because the Best Estimate Claim Provision increased in 2024.

Interpolis Zorgverzekeringen N.V.

The EOF increased by € 13 million compared to FYR 2023. This was mainly due to changes in economic assumptions (increase of € 10 million, mainly increased value of exposures listed on the stock exchanges and decreased interest rates) and portfolio developments within the insurance liabilities (increase of € 3.2 million, mostly due to a change in the expected result of 2024 (€ 7.1 million) and the expected result of 2025 (€ 0.2 million), partly offset by development in the expected result of prior years (€- 3.3 million)).

The SCR of Interpolis Zorgverzekeringen N.V. increased by € 5 million. Market Risk increased by € 1 million. This was mainly driven by the increase in Equity Risk and the decrease in Concentration Risk. Counterparty Default Risk increased by € 2 million, mainly due to higher cash and cash equivalents. Health Underwriting Risk increased by € 3 million. Premium Risk increased due to healthcare cost inflation, reflected in an increase of the premium per insured. Reserve Risk increased because the Best Estimate Claim Provision was higher for FYR 2024 than in FYR 2023. Operational Risk increased by € 1 million due to a higher premium volume for accident year 2024. There was a decrease in the number of insured in 2024, but this was counterbalanced by a higher premium per insured.

Zilveren Kruis Zorgverzekeringen N.V.

The EOF increased by € 62 million compared to FYR 2023. This was mainly due to changes in economic assumptions (increase of € 178 million, mainly increased value of exposures listed on the stock exchanges and decreased interest rates), agio paybacks and an agio deposit (net decrease of € 72 million) and portfolio developments within the insurance liabilities (decrease of € 44 million, mostly due to a change in the expected result of 2024 (€- 71 million) and the expected result of 2025 (€- 22 million), partly offset by development in the expected result of prior years (€ 58 million)).

The SCR of Zilveren Kruis Zorgverzekeringen N.V. increased by € 72 million. Market Risk increased by € 60 million, with the biggest impact by the increase in Equity, Spread and Interest Rate Risk. The increase of the Equity and Spread Risk because of positive developments in the stock markets, the Interest Rate Riks mainly due to higher durations for permanent prepayments to healthcare providers and investment portfolio as well as the purchase of Credits and Emerging Market Debt. Health Underwriting Risk increased by € 29 million. Premium Risk increased due to healthcare cost inflation, reflected in an increase of the premium per insured. Reserve Risk decreased because the Best Estimate Claim Provision was lower than at FYR 2023. Operational Risk increased by € 19 million, due to a higher premium volume for accident year 2024. There was a decrease in the number of insured in 2024, but this was counterbalanced by a higher premium per insured.

COMPOSITE INSURANCE ENTITY

Interamerican Hellenic Insurance Company S.A.

The SCR of Interamerican Hellenic Insurance Company S.A. (IAG) is determined using a Partial Internal Model. For the Non-Life Underwriting Risk Premium- and Reserve Risk and Natural Catastrophe Risk an internal model is used. Inflation Risk stemming from the Non-Life insurance portfolio is captures within Market Risk if determined to be significant. IAG is using the SF for all the other risk modules.

SOLVENCY RATIO

€ MILLION

	2024	2023	Δ
Eligible Own Funds	165	154	11
Solvency Capital Requirement	125	123	2
Surplus	41	31	9
Ratio (%)	**133%**	**125%**	**8%**

In 2024 the solvency ratio increased in comparison with 2023.

The EOF increased mainly due to IAG and its subsidiaries' performance and the positive impact of the changes in non-economic assumptions of the Non-Life business. Economic assumptions were slightly negative versus 2023, despite the better performance from positive revaluation in property and equity. The goodwill of Europ Assistance Services Greece I.K.E. acquisition had a negative impact on the EOF. No foreseeable dividend for 2024 has been recognised

The SCR increased by € 2 million. Market Risk increased due to a higher Equity Risk as a result of the acquisition of the equity portfolio and its valuation, this is partly compensated by the decrease in Interest Rate Risk mainly due to better ALM and lower inflation risk adjustment. Counterparty Default Risk decreased due to lower cash balances and less overdue receivables. Health Underwriting Risk increased and is driven by Premium & Reserve risk of Health NSLT. Non-Life Underwriting risk increased, mainly due to a higher Premium and Lapse Risk. LACDT is zero due to the updated net DTA scheme and the updated recoverability analysis.

Union Poist'ovna A.S.

The Slovakian insurer Union Poisťovna A.S. (UN) is a composite insurer selling both Life and Non-Life insurance products. The SCR of UN is determined using the SF. UN uses the VA when determining the Best Estimate of the insurance obligations.

SOLVENCY RATIO € MILLION

	2024	2023	Δ
Eligible Own Funds	43	47	-4
Solvency Capital Requirement	32	32	-0
Surplus	11	15	-3
Ratio (%)	**136%**	**146%**	**-10%**

The EOF decreased in line with the loss of the period, mainly due to the increase in the technical provision Non-Life driven by a loss in motor, a big claim in Property and floods.

The SCR remained stable in 2024. Non-Life Underwriting Risk increased slightly due to higher reserves in MTPL. The decrease in Health Underwriting Risk is driven by a canceled reinsurance contract. Operational Risk decreased due to the exclusion of 8% levy from MTPL premium and as a result the health insurance premium decreased. The Counterparty Default Risk decreased as a result of lower amounts on bank accounts. The change of Market Risk was immaterial.

REINSURANCE ENTITY

Achmea Reinsurance Company N.V.

Achmea Reinsurance Company N.V. (ARNV) is the reinsurer for Achmea and accepts other incoming reinsurance contracts from parties outside of Achmea Group. The SCR of ARNV is determined using a PIM. ARNV has developed an Internal Model for Natural Catastrophe Risk for incoming internal Achmea group business. For Interest rate Risk, Equity Risk, Property Risk and Spread Risk an Internal Model is used. The other components of the SCR are calculated using the SF. ARNV does not use the VA when determining the Best Estimate of the insurance obligations. No Dynamic VA is used when calculating the capital requirements for Market Risk under the Partial Internal Model.

SOLVENCY RATIO € MILLION

	2024	2023	Δ
Eligible Own Funds	375	312	63
Solvency Capital Requirement	175	168	7
Surplus	201	144	56
Ratio (%)	**215%**	**186%**	**29%**

The increase of the EOF is the result of positive financial market developments (including interest and dividends).

The SCR of ARNV increased in 2024. The Market Risk increased as a result of a higher Equity Risk due to increasing market values as a result of positive developments of financial markets and investments in Hedge Funds. The yearly ESG calibration decreased the Spread Risk slightly. The Non-Life Underwriting Risk decreased due to a lower Premium Risk and is mainly the result of the third-party non-life business being in run-off. Due to changes (payments) within de claim reserve the Reserve Risk decreased. The decision to stop Third party Non-Life insurance business has an impact on the decreasing impact on the Catastrophe Risk. This is offset by changes within the renewal reinsurance program. The LACEP Underwriting Risk decreased mainly due to changes in the reinsurance program.

SOLVENCY POSITION LEGAL ENTITIES SUBJECT TO OTHER PRUDENTIAL SUPERVISION

Within Achmea one legal entity is subject to requirements of the Capital Requirements Directive (CRD), Achmea Bank N.V. as credit institution.

In 2023, the Dutch Central Bank has approved the application for an Advanced Internal Rating-Based status (A-IRB Bank) of Achmea Bank N.V. This status enables Achmea Bank N.V. to use advanced internal models to calculate its credit risks and this results in improved risk management and customer service, both in the acceptance and management of mortgages.

CAPITAL RATIO ACHMEA BANK N.V.

€ MILLION

	2024	2023	Δ
Eligible Own Funds	962	774	188
Total Risk Weighted Assets	5,043	4,585	458
Total Capital Ratio	**19.1%**	**16.9%**	**2.2%**
Total SREP Capital Requirement (12.1%; 2023: 12.1%)	610	555	55
Combined Buffer Requirement (2.5%; 2023: 2.5%)	126	115	11
Counter Cyclical Buffer (2%; 2023: 1%)	101	46	55
Total Solvency Capital Requirement	**837**	**715**	**122**

Achmea uses the standardised approach to determine its Credit Risk. The Total Capital Ratio based on CRD IV/CRR increased from 16.9% in 2023 to 19.1% in 2024, due to the increase in the total risk exposure amount, as a results of an increase in the mortgage portfolio and outstanding mortgage offers.

Based on the latest SREP, the capital requirements for Achmea Bank N.V. is 16.6% (2023: 15.6%) of the Risk Weighted Assets.

In 2024 the Common Equity Tier 1 Capital Ratio increased by € 64 million from € 774 million to € 836 million. The increase is mainly due to the addition of the 2023 (€ 30 million) and 2024 (€ 34 million) result excluding dividend. Achmea Bank N.V. has received the approval from DNB to add the remaining portion (after expected dividend payment) of the net result for 2024. In 2024 Achmea Bank N.V. placed a Tier 2 Note: Tier 2 Note 5.88% (€ 126 million, with a nominal value of € 125 million), which has a direct increasing impact on the EOF of Achmea Bank N.V.

Per Q2 2024, DNB enforces the Countercyclical buffer of 2% of the Risk Weighted Assets (RWA) in the capital requirements of Achmea Bank N.V. (2023: 1%). This increased the required capital of Achmea Bank N.V. by € 55 million.

Within Achmea five legal entities are subject to IFD/IFR requirements as asset managers. On July 25th, 2024 Blue Sky Group and Achmea B.V. have reached an agreement on the sale of Blue Sky Group's Asset Management activities to Achmea B.V. The transaction was closed on 31 December 2024. As a result of the transaction, Achmea Investment Management will provide fiduciary and asset management for, among others, KLM's three pension funds. Achmea renamed Blue Sky Group Asset Management B.V. in Achmea IM AM B.V. and Blue Sky Groep Fund Management B.V. in Achmea IM FM B.V. Syntrus Achmea Real Estate & Finance B.V. reorganised the activities by dividing the real estate and mortgage business into Achmea Real Estate B.V. and Achmea Mortgage Funds B.V.

IFD/IFR REQUIREMENTS

ENTITY	FIXED COST REQUIREMENT		PERMANENT MINIMUM		K-FACTOR		CAPITAL REQUIREMENTS		OWN FUNDS	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Achmea Investment Management B.V.	28.8	25.8	0.1	0.1	18.3	16.4	30.9	29.9	49.2	48.7
Syntrus Achmea Real Estate & Finance B.V.	n.a.	18.2	n.a.	0.2	n.a.	0.4	n.a.	18.2	n.a.	53.5
Achmea Real Estate B.V	12.0	n.a.	0.2	n.a.	0.4	n.a.	12.0	n.a.	52.5	n.a.
Achmea Mortgage Funds B.V.							6.7	n.a.	11.6	n.a.
Achmea IM AM B.V.							5.2	n.a.	9.0	n.a.

Achmea IM FM B.V.							7.1	n.a.	12.9	n.a.

For Achmea Investment Management B.V, Achmea Real Estate B.V. and Achmea IM AM B.V. Achmea has to apply the requirements of the IFR/IFD Regulation. The capital requirement is the highest of 1) 25% of the fixed overhead expenses of the preceding 12 months; 2) The permanent minimum requirement following the IFR/IFD legislation; or 3) The 'k'-factor.

For Achmea Investment Management B.V. Achmea applies a required capital of € 30.9 million based on ICLAAP rules (2023: € 29.9 million). This required capital is higher than the requirements based on the IFR/IFD Regulation, mainly due to the larger scope of the assets under management taken into account within ICLAAP 2023 (including mutual funds).

The Intra-Group transactions between Achmea and the CRD-entities concerns short term deposit transactions and the allocation of costs. Achmea has also Intra-Group transactions with Achmea Bank N.V. regarding the mortgage savings. There are no capital transactions between Achmea and Achmea Bank N.V. All Intra-Group transactions with CRD-entities are not eliminated, therefore Achmea retains the original calculated capital requirement i.e. no elimination.

SOLVENCY POSITION OF LEGAL ENTITIES SUBJECT TO THE IORP OR SIMILAR ENTITIES

Centraal Beheer PPI N.V.

SOLVENCY RATIO

€ MILLION

	2024	2023	Δ
Eligible Own Funds	22	13	9
Solvency Capital Requirement	9	6	3
Surplus	13	7	6
Ratio (%)	**242%**	**210%**	**32%**

The capital requirement for Centraal Beheer PPI N.V. (CB PPI) is 0.2% of the managed capital of € 4,516 million (2023: € 3,770 million) for the pension liabilities. The CB PPI has an appropriate liability in place.

Union Zdravotná Poist'ovna A.S.

In Slovakia, Achmea has a health insurer, Union Zdravotná Poisťovna A.S. The local Slovakian Ministry of Finance has decided that the Health entity (and similar entities within Slovakia) is not subject to Solvency II legislation but subject to local capital requirements as determined by Slovakian law.

SOLVENCY RATIO

€ MILLION

	2024	2023	Δ
Eligible Own Funds	23	41	-18
Solvency Capital Requirement	17	17	0
Surplus	6	24	-18
Ratio (%)	**136%**	**247%**	**-111%**

The solvency ratio reported for year-end 2024 is 136%. Decrease of 111% comparing to 2023 YE is driven by current year loss and dividend payment of € 4.9 million during the year. Loss is driven by health care costs due to program budgeting by-law that sets up how much shall company spent in specific types of health care. The local capital requirements year-end 2024 were € 17 million and is a fixed legal amount.

NOTIONAL SOLVENCY POSITION

For the Mixed Financial Holding Company, Achmea B.V., a notional capital requirement has to be calculated. The holding company is as an individual company not subject to supervision. However, Achmea B.V. is part of the group supervision as executed by competent authority, DNB.

The notional capital position is calculated, based on the company Economic Balance Sheet and resulting notional SCR as if the Solvency II legislation would be applied. In this approach, all subsidiaries are presented as participations and intragroup positions are not eliminated. The participations of Achmea B.V. are included in the notional SCR under Market Risk based on the Standard Formula.

Achmea B.V.

The Notional Capital Requirement of Achmea B.V. consists mainly of a Notional Capital Requirements Market Risk. Notional Capital Requirements Market Risk was € 2.6 billion year-end 2024 (2023: € 2.2 billion). Market Risk of the Notional Capital Requirement is dominated by Equity Risk on the strategic participations of Achmea. The amount of SCR related to Intra-Group transactions is € 2.4 billion (2023: € 2.1 billion) and increased in line with the increase in the net adjusted value of the underlying subsidiaries due to the changes in the risk-free interest rates, spreads and inflation.

NOTIONAL SOLVENCY RATIO

€ MILLION

	2024	2023	Δ
Eligible Own Funds	9,051	7,988	1,062
Total Group Solvency Capital Requirement	2,567	2,163	404
Surplus	6,484	5,826	658
Ratio (%)	**353%**	**369%**	**-16%**

E.2. SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

More detail regarding the Solvency Capital Requirements of the Dutch insurance legal entities can be found in the public Quantitative Reporting Templates (see appendix for hyperlinks).

E.2.1. KEY ASSUMPTIONS APPLIED OR USED BY ACHMEA

HRES Parameters

Achmea applies the HRES parameters (Health Risk Equalisation System) when determining the capital requirement for Premium- and Reserve Risk for the Line of Business Medical Expense. The HRES parameters are based on the Implementing Technical Standards that have been published by the European Commission. The HRES parameters are only applied to Dutch basic health insurances. For Premium Risk 2.7% is applied, for Reserve Risk 5.0%. The use of the HRES parameters is accompanied by the requirement to use the "broad premium" definition e.g. all premiums and payments received by Achmea for the basic health insurance obligations, including payments received by Zorginstituut Nederland, are deemed to be premiums.

Commitments to invest in future exposures

In certain instances, Achmea provides commitments to counterparties to invest in issuance of equity or debt investments. Based on the contractual agreements, Achmea already has committed an economic value for these future investments. On the Economic Balance Sheet these commitments are not recognised e.g. the underlying exposure is not recognised. For the determination of the capital requirement, Achmea includes these commitments as input for the various sub-risk modules.

Economic assumptions

At the end of 2024 the application ratio used for the several legal entities using the Dynamic Volatility Adjustment is:

- Achmea Schadeverzekeringen N.V. 63% (2023: 65%).
- N.V. Hagelunie: 65% (2023: 65%).
- Achmea Pensioen- en Levensverzekeringen N.V.: 54% (2023: 60%).

The discount rate used to calculate the Interest Rate Risk within the PIM for Market Risk is the German Bund curve (Euro Core).

Equity Dampener

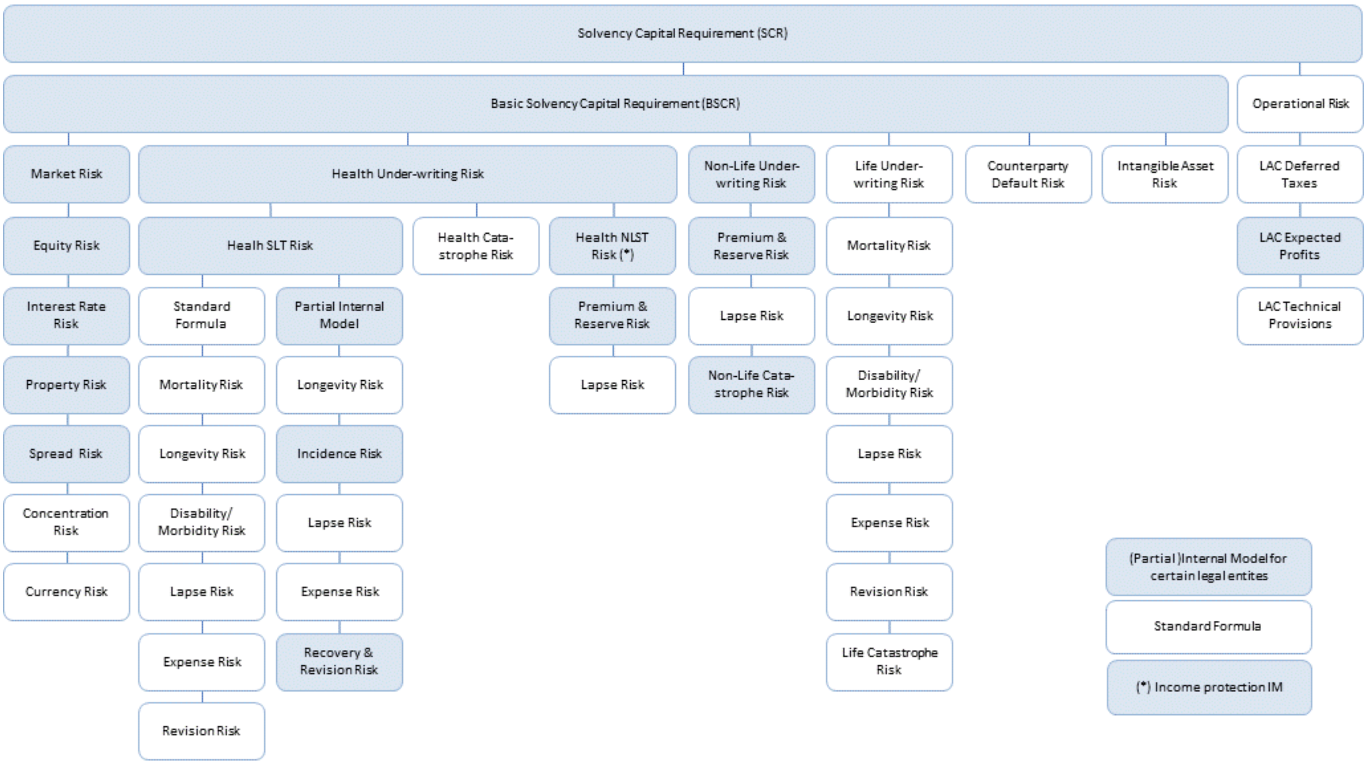
Following the publication of EIOPA of the symmetric equity dampener per 31 December 2024 of 2.86%, the equity stresses for the Standard Formula are:

- Type 1: 41.86% (2023: 40.46%).
- Type 2: 51.86% (2023: 50.46%).

E.2.2. STANDARD FORMULA VERSUS PARTIAL INTERNAL MODEL

Achmea uses an internal model for:

- For Non-Life Risk the Premium and Reserve Risk of Achmea Schadeverzekeringen N.V. (excluding Achmea Australia), N.V. Hagelunie, Interamerican Hellenic Insurance Company S.A. and Achmea B.V.
- For Non-Life Risk the natural Catastrophe Risk of Achmea Schadeverzekeringen N.V. (excluding Achmea Australia), N.V. Hagelunie (excluding Achmea Canada), Interamerican Hellenic Insurance Company S.A., Achmea Reinsurance Company N.V. (excluding incoming reinsurance contracts) and Achmea B.V.
- For Health Risk (Health Not Similar to Life Techniques, NSLT) the Premium and Reserve Risk for sickness and accident insurance of Achmea Schadeverzekeringen N.V., Interamerican Hellenic Insurance Company S.A. and Achmea B.V.
- For Health Risk (Health Similar to Life Techniques, SLT) the risks relating to disability, rehabilitation and revision percentages of Achmea Schadeverzekeringen N.V. and Achmea B.V.
- For Market Risk the risks related to Interest Rate, Equity, Property and Spread Risk of Achmea Schadeverzekeringen N.V., N.V. Hagelunie, Achmea Reinsurance Company N.V., Achmea Pensioen- en Levensverzekeringen N.V. and Achmea B.V.



Achmea uses a PIM[18] to calculate the SCR. The SF components and Internal Model components are aggregated into a single SCR. The aggregation is done by means of 1) The ‘Default approach’ (use of the correlations as provided by the SF at the level of the main risk types and most sub-risk types; 2) The ‘Implicit correlation approach’ for SLT Underwriting Risk and Non-Life Premium and Reserve Risk and the ‘Implicit correlation’ approach for Market Risk for the shocks under the SF for Interest Rate Risk/Spread Risk/Equity Risk and Property Risk on the one hand and Currency Risk/Concentration Risk on the other hand and 3) The ‘Simulation approach’ to aggregate the Equity Risk/Property Risk/Interest Rate Risk and Spread Risk of those entities not using the PIM for Market Risk.
For some sub-risk types Achmea aggregates data at a lower level than applied in the SF. Here the correlations are based on Achmea’s data and expert judgment especially within Non-Life Underwriting Risk.

In addition to the Internal Model components Achmea has added a capital correction for Inflation Risk to the Interest Rate Risk within Market Risk for Interamerican Hellenic Insurance Company S.A. Achmea excluded the Inflation Risk from the Internal Model for Non-Life Underwriting and Health SLT Underwriting Risk. In order to capture this risk in the SCR, Achmea has determined a capital

[18] Within Non-Life Cat Risk Man-made Risk is not included. For the foreign insurance entities (with the exception of Interamerican Hellenic Insurance Company S.A.) and Achmea Reinsurance Company N.V. no Internal Model is used for Premium and Reserve Risk.

requirement in 'Pillar II' associated with this risk. Within 'Pillar I', the SCR for Inflation Risk is added at the level of 'Interest Rate Risk' by means of the 'simulation approach'.

The SCR Counterparty Default Risk is impacted due to the Internal Model for Non-Life Catastrophe Risk and Market Risk.

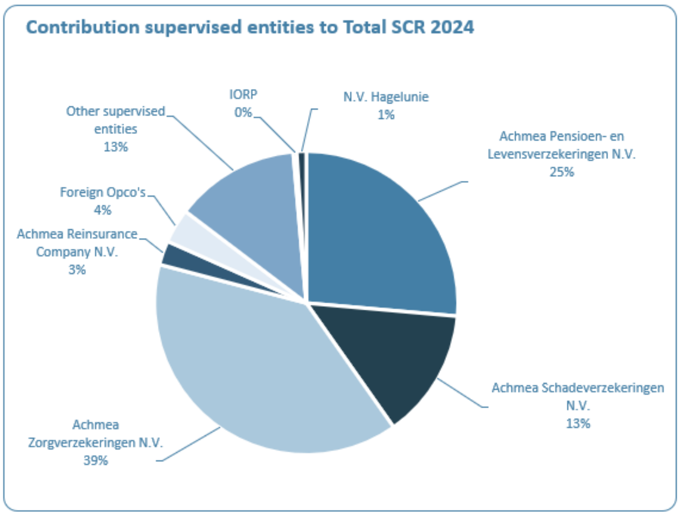
Following the differences between the SF and the PIM used, the outcome of the LACDT under the PIM differs from the outcome of the SF.

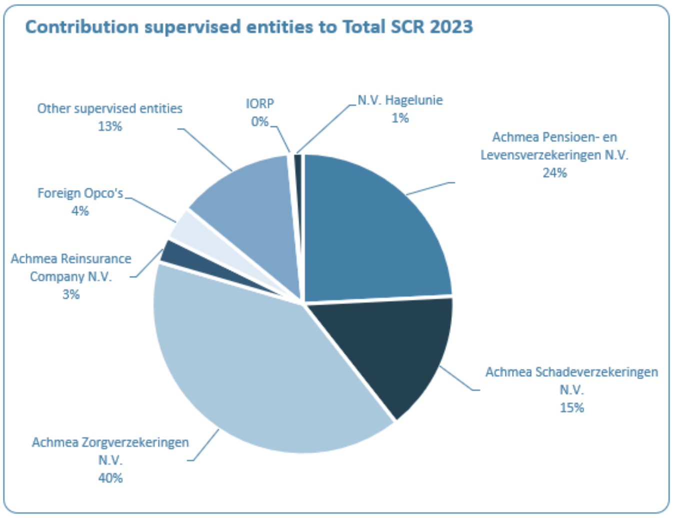
The internal models of Achmea are determined using a Profit@Risk basis. This includes in the calculation of the capital requirement, the impact on the expected results of the coming twelve months. However, the Solvency capital requirement is based on the Value@Risk. In order to align the outcomes with the Solvency II requirement, a so called LACEP is determined.

E.2.3. SOLVENCY CAPITAL REQUIREMENT

E.2.3.1. SOLVENCY CAPITAL REQUIREMENT

Solvency Capital Requirement according to major legal entities[19]:





The share of the various solo entities in the SCR group changed in 2024 compared to 2023. The share of Achmea Pensioen- en Levensverzekeringen N.V. has increased, while the shares of Achmea Zorgverzekeringen N.V. and Achmea Schadeverzekeringen N.V. have decreased in contribution due to the increased impact of Market Risk as a result of re-risking in 2024.

The main SCR results based on the Partial Internal Model are:

TOTAL GROUP SOLVENCY CAPITAL REQUIREMENT

€ MILLION

	2024	2023	Δ
Market Risk	2,808	2,039	769
Counterparty Default Risk	263	249	14
Life Underwriting Risk	1,325	1,329	-4
Health Underwriting Risk	2,307	2,191	117
Non-Life Underwriting Risk	1,242	1,247	-6
Diversification	-2,834	-2,621	-213
Intangible Asset Risk	0	0	0
Basic Group Solvency Capital Requirement	**5,111**	**4,434**	**677**
Operational Risk	729	666	63

- [19] Foreign OpCo's = supervised insurance entities outside the Netherlands and Other supervised entities = supervised banking and investment firms subject to CRD/IFR/IFD legislation.

Loss-Absorbing Capacity of Expected Profits	-573	-487	-85
Loss-Absorbing Capacity of Technical Provisions	-0	-0	-0
Loss-Absorbing Capacity of Deferred Taxes	-688	-581	-107
Total Group Solvency Capital Requirement (Diversified)	**4,580**	**4,031**	**548**
CR Other Financial Sectors	925	787	138
SCR Other Entities	21	22	-0
Total Group Solvency Capital Requirement	**5,526**	**4,840**	**686**

The change in SCR is described in more detail in the following paragraphs. The Solvency Capital Requirement of the individual entities on the situation as at 31 December 2024 is included in the following table.

SOLVENCY CAPITAL REQUIREMENT INDIVIDUAL ENTITIES

€ MILLION

	2024	2023	Δ
Achmea Pensioen- en Levensverzekeringen N.V.	1,786	1,475	311
Achmea Schadeverzekeringen N.V.	938	927	10
Interamerican Assistance General Insurance Company S.A. (99.89%)	12	10	1
N.V. Hagelunie	68	69	-1
Achmea Zorgverzekeringen N.V.	953	890	62
Interpolis Zorgverzekeringen N.V.	93	87	5
Zilveren Kruis Zorgverzekeringen N.V.	1,696	1,624	72
De Friesland Zorgverzekeraar N.V.	279	250	29
FBTO Zorgverzekeringen N.V.	295	227	69
Union Poist’ovna A.S. (99.97%)	32	32	-0
Interamerican Hellenic Insurance Company S.A. (99.89%)	125	123	2
Achmea Reinsurance Company N.V.	175	168	7
Achmea Bank N.V.	837	715	123
Syntrus Achmea Real Estate & Finance B.V.	n.a.	18	-18
Achmea Real Estate B.V.	12	n.a.	12
Achmea Mortgage Funds B.V.	7	n.a.	7
Achmea Investment Management B.V.	31	30	1
Achmea IM AM B.V.	5	n.a.	5
Achmea IM FM B.V.	7	n.a.	7
Total individual entities	7,351	6,645	706
Diversification, mixed financial holding company, investment related entities and ancillary entities	-1,825	-1,805	-20
Total	**5,526**	**4,840**	**686**

As of October 1, 2024, Achmea has split the mortgage and real estate activities of Syntrus Achmea Real Estate & Finance (SAREF) into Achmea Mortgage Funds B.V. (AMF) and Achmea Real Estate B.V. (ARE). For the end of 2023, the SCR is not available as a split and is therefore fully included under Achmea Real Estate B.V. in the table above. The line diversification includes the impact of Eureko Sigorta as an Non-EEA entity.

E.2.3.2. MARKET RISK

Achmea uses a Partial Internal Model for the calculation of the Solvency Capital Requirements for Market Risk.

The following table presents the SCR Market Risk and its components. The internal model provides one simulation in which the Interest rate Risk, Equity Risk, Property Risk and Spread Risk are determined. For presentation purposes, Achmea performs additional simulations based on the same dataset. For the sub risk types only the risk factors in the particular sub risk are shocked and all the others risk factors are held constant at the T=0 values. Note that this implies that the 99.5% scenario that determines the total Market Risk is **not** the same scenario as the one that determines the various sub risks and the comparable outcomes. Hence care should be exercised in assessing the individual sub risks and the comparison with previous periods, since the model is intended to model Market Risk as a whole

MARKET RISK

€ MILLION

	2024	2023
Interest Rate Risk	321	251
Equity Risk	1,878	1,335
Property Risk	539	478
Spread Risk	878	718
Currency Risk *)	185	142
Concentration Risk *)	0	0
Diversification	-992	-885
SCR Market Risk	**2,808**	**2,039**

*) Standard Formula

Market Risk increased by € 769 million to € 2,808 million mainly due to changes in the risk profile of the investment portfolio and changes in the main economic variables. The annual calibration of the Internal model reduced Market Risk by € 54 million. The introduction of the minor model change Replicating Universe for Inflation Linked Products resulted in a decrease of the Interest rate Risk.

INTEREST RATE RISK

INTEREST RATE RISK

€ MILLION

	ECONOMIC VALUES BEFORE SHOCK				SCR		
	2024		2023		2024	2023	Δ
	ASSETS	LIAB.	ASSETS	LIAB.			
Interest Rate Risk	38,902	45,146	38,290	44,632	321	251	70

Achmea has included the Risk Margin in the calculation of the Interest Rate Risk (contrary to the Standard Formula) by modelling the Risk Margin as a separate cash flow. Interest Rate Risk mainly decreased due to model changes (primarily changed Risk-free interest rate curve), which was partly offset by changes in the investment portfolio.

EQUITY RISK

The capital requirements for Equity Risk is mainly driven by the Dutch legal entities.

The capital requirement with respect to participations classified as 'Other Entities', 'Other Financial Sectors' or 'Non-Controlled Participations'. These are presented as a separate line item part of the Solvency Capital Requirement. The capital requirement is added to the Solvency Capital Requirement, no diversification effects are recognised.

EQUITY RISK

€ MILLION

	ECONOMIC VALUES BEFORE SHOCK				SCR		
	2024		2023		2024	2023	Δ
	ASSETS	LIAB.	ASSETS	LIAB.			
Equity Risk	4,656	3,998	3,273	3,747	1,878	1,335	543

The capital requirements for Equity Risk are sensitive to changes in the equity markets. Equity Risk increased by € 571 million due to re-risking (€ 270 million) and as a result of higher exposures due to positive returns and implementation of the Investment Plan 2024 (€ 301 million). Lower Eurocore rates decreased Equity Risk with € 18 million and the annual calibration of the Economic Scenario Generator decreased Equity Risk by € 9.8 million.

PROPERTY RISK

Achmea has certain Unit Linked insurance contracts where the fee earned by Achmea depends on the fund value (assets). These are shocked according to the scenarios and the adjusted value of the fee income is determined. The lower discounted value of the fee income is added to the capital requirements.

PROPERTY RISK

€ MILLION

	ECONOMIC VALUES BEFORE SHOCK				SCR		
	2024		2023		2024	2023	Δ
	ASSETS	LIAB.	ASSETS	LIAB.			
Property Risk	1,776	154	1,684	163	539	478	61

Lower 1-year Eurocore rates decreased Property Risk with € 4.6 million and the annual calibration of the Economic Scenario Generator increased Property Risk by € 39 million due to increased property volatility. Positive returns and purchase of property leads to an increased Property Risk with € 26 million.

SPREAD RISK

Achmea applies the Partial Internal Model for Spread Risk for all bonds and loans, government bonds and related exposures and for mortgage loans. EONIA related spreads, Swap spread and the DVA are also part of the Spread Risk module. Hence the PIM for Spread Risk is also applied to the value of liabilities and derivatives. Achmea applies a ‘simulation integration’ technique in order to calculate the capital requirements for Spread Risk at the level of the group i.e. to aggregate standard formula parts and internal model parts.

Credit Spread Risk is the risk that spreads increase, while the ratings remain unchanged. Migration and Default Risk address the risk of downgrades and defaults. The DVA is a (dynamic) adjustment to the basic Risk-free curve to avoid pro-cyclical investment behaviour.

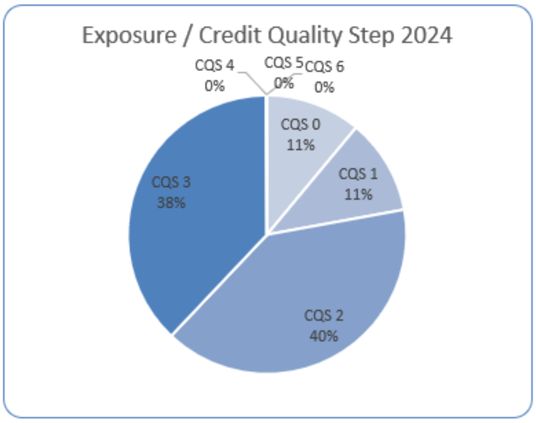
SPREAD RISK

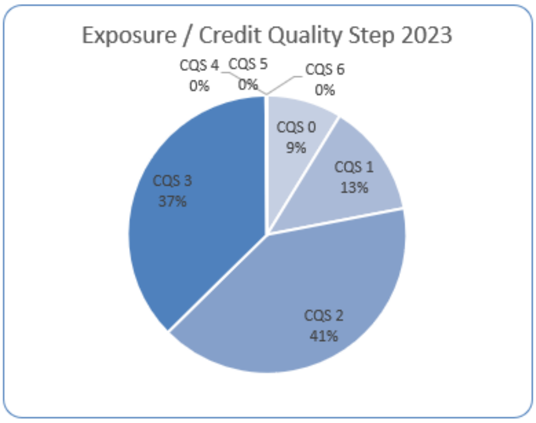
€ MILLION

	ECONOMIC VALUES BEFORE SHOCK				SCR		
	2024		2023		2024	2023	Δ
	ASSETS	LIAB.	ASSETS	LIAB.			
Spread Risk	33,194	38,684	32,258	38,570	878	718	160

The following graphs present the quality of the bond and loan portfolio (hence excluding Government bonds).

The average duration of the bond and loan portfolio decreased from 2.9 to 2.8 years.





Changes in credit spreads increased Spread Risk by € 82 million and the annual calibration of the economic scenario generator decreased Spread Risk by € 35 million. The minor model change 'Adjustment of Replicating Universe for Inflation Linked Products' increased Spread Risk with € 0.8 million. Portfolio changes and the impact of interest rate changes increases Spread Risk by € 75 million. Termination of the swap spread hedge increased Spread Risk by € 38 million.

Within the Spread Risk sub risk, Achmea includes the DVA. The DVA results in a lower capital requirement for Spread Risk. The DVA depends on the actual information regarding the fundamental spread at t=0 as published by EIOPA and Achmea's own application ratio.

MARKET RISK CONCENTRATIONS

A capital requirement for Market Concentration Risk is only recognised when the exposure to a single name exceeds the thresholds set by the Solvency II legislation. Government bonds and related exposures, exposures subject to the Counterparty Default Risk module, Unit Linked related exposures and certain legal entities part of the group are not subject to this capital requirement.

At the end of 2024, Achmea had no exposure to any counterparty that exceeded the Market Concentration Risk threshold. Therefore the SCR Market Concentration remained zero.

Part of the legal entities have Market Concentration Risk on the level of the solo capital requirements.

CURRENCY RISK

The capital requirement for Currency Risk increased by € 43 million, mainly due to higher USD and Turkish Lira.

The largest non-euro exposure is on the USD, which increased due to positive returns on and purchases of commodities. The largest non-euro operation is carried out by Eureko Sigorta A.S. in Türkiye. This resulted in an exposure to the Turkish lira which is unhedged.

Most foreign currency exposures in insurance and investment portfolios are hedged using currency derivatives. Achmea Reinsurance Company N.V. has exposures in several currencies because of their incoming reinsurance activities outside the Eurozone. Achmea Schadeverzekeringen N.V. has Currency Risk related to the Australian dollar because of branch selling insurance products in Australia. N.V. Hagelunie has Currency Risk in Canadian dollar related insurance products sold in Canada. The other legal entities have some Currency Risk based on exposures denominated in other currencies than the euro embedded in the investment portfolio.

E.2.3.3. COUNTERPARTY DEFAULT RISK

The exposures to Counterparty Default Risk are the result of normal operations within Achmea. The scope of the CDR module includes risk mitigating contracts, such as reinsurance agreements and derivatives, receivables from intermediaries, as well as any other credit exposures which are not covered in the Market Risk sub module Spread Risk.

The following table specifies the SCR for the CDR.

COUNTERPARTY DEFAULT RISK € MILLION

	2024	2023	Δ
Reinsurance arrangements	37	39	-2
Derivatives	23	24	-1
Other non-risk mitigating exposures	41	54	-13
Commitments depending on the credit standing of the counterparty	1	2	-1
Diversification	-11	-15	3
SCR CDR on Type 1 exposures	**91**	**105**	**-14**
Insurance and Intermediaries Receivables	17	19	-2
Other Credit exposures (excl. Mortgage Loans)	170	141	29
Mortgage loans	0	0	0
SCR CDR on Type 2 exposures	**187**	**160**	**27**
Diversification	-16	-16	1
SCR Counterparty Default Risk	**263**	**249**	**14**

The decrease of the SCR CDR on Type 1 exposures is mainly due to lower cash positions in Türkiye, Greece and the Dutch healthcare business. The risk is further reduced due to the reduced loss given default resulting from securities lending. The increased exposure regarding securities lending is fully mitigated by received collateral which results in a lower risk.

The Type 2 risk mainly increased due to an increase in claims on pharmaceutical providers and an increased debtor position.

Derivatives

Derivatives are used to hedge undesirable risks in the investment portfolio and for efficient portfolio management. Interest Rate Swaps, Swaptions and Bond Futures are used to hedge Interest Rate Risks arising from the insurance liabilities. Forward exchange contracts (FX forwards) are used for hedging Currency Risk. In line with the counterparty policy, positions in derivatives are collateralised. Daily collateral is exchanged with the relevant counterparties. For OTC contracts, only cash and high rated government bonds are accepted as collateral. For positions cleared through Central Clearing the variation margin is settled in cash.

The exposure on the derivatives increased from € 1,606 million to € 1,805 million due to the development of currency rates and interest rates (excluding the impact on mortgage savings). This increase is mostly related to an increase of the exposures on the derivatives. The higher exposure to the derivatives does not always lead to a higher Loss Given Default. This applies to situations where the collateral was sufficiently pledged to Achmea, as a result of which the Loss Given Default was already zero.

Derivatives which are centrally cleared are subject to different capital requirements than derivatives which are not centrally cleared.

VOLUME DERIVATIVES € MILLION

	2024	2023	Δ
Type 1	1,309	1,046	263
Type 2			
Type 3	449	504	-55
Type 4	47	56	-9
Total derivatives subject to CDR module -type 1	**1,805**	**1,606**	**199**

The derivatives are classified in four types. Type 1 derivatives consists of cleared interest rate swaps. Type 2 derivatives are comparable with Type 1, but Achmea is not required to be protected from losses in the event that the clearing member and another client of the clearing member jointly default. Type 4 derivatives consists of bond futures and mortgage saving products. All the other derivatives are classified as Type 3 derivatives. The above table shows the distribution over the different types.

COUNTERPARTY DEFAULT RISK INDIVIDUAL ENTITIES

€ MILLION

	2024	2023
Achmea Pensioen- en Levensverzekeringen N.V.	56	92
Achmea Schadeverzekeringen N.V.	82	77
Interamerican Assistance General Insurance Company S.A. (99.89%)	2	1
N.V. Hagelunie	14	13
Achmea Zorgverzekeringen N.V.	25	17
Interpolis Zorgverzekeringen N.V.	14	12
Zilveren Kruis Zorgverzekeringen N.V.	48	48
De Friesland Zorgverzekeraar N.V.	17	11
FBTO Zorgverzekeringen N.V.	33	26
Union Poist'ovna A.S. (99.97%)	4	5
Interamerican Hellenic Insurance Company S.A. (99.89%)	12	14
Achmea Reinsurance Company N.V.	18	16
Total individual entities	325	333
Diversification, mixed financial holding company, investment related entities and ancillary entities	-63	-84
Total	**263**	**249**

The impact of diversification includes the change in the intercompany positions between the individual entities. The contribution of Eureko Sigorta A.S. as a non-EEA entity in the group consolidation is included in line item diversification. The decrease within Achmea Pensioen- en Levensverzekeringen N.V. is caused by the decreased intercompany tax assets.

E.2.3.4. LIFE UNDERWRITING RISK

The following table sets out the composition of Achmea's Life Underwriting Risk. This relates both traditional and Unit Linked policies. For the calculation of Life Underwriting Risk Achmea uses a simple sum to aggregate the outcomes of the legal entities by using a correlation 1, with the exception of Lapse Risk. When determining the Lapse Risk the various scenarios are aggregated. The most onerous scenario is used to determine the capital requirement, which regards mass lapse. Within Achmea Life Underwriting Risk is based on the SF.

LIFE UNDERWRITING RISK

€ MILLION

	2024	2023	Δ
Mortality Risk	151	141	10
Longevity Risk	1,012	991	22
Disability/ Morbidity Risk	0	2	-2
Lapse Risk	180	193	-13
Expense Risk	476	501	-25
Catastrophe Risk	133	128	5
Diversification Risk	-628	-627	-1
SCR Life	**1,325**	**1,329**	**-4**

Approximately 95% of Life Underwriting Risk is recognised within Achmea Pensioen- en Levensverzekeringen N.V., 2% within Achmea Reinsurance Company N.V., 2% within Interamerican Hellenic Insurance Company S.A. and 1% within Union Poist'ovna A.S.

Life Underwriting Risk has decreased due to the impact of non-economic assumptions (lapse and cost assumptions) and due to the decrease in almost all underwriting sub risks due to portfolio development (closed book strategy), except Mortality and Catastrophe Risk. Because there is still an open book strategy for risk insurance, there is a positive portfolio effect for Mortality and Catastrophe Risk in the Netherlands. These effects are partly offset by the decreased relevant Risk-free interest rate and the reduction of the UFR as of January 1, 2024 from 3.45% to 3.30%, which means that the Best Estimate increases and the risk increases. Within Interamerican Hellenic Insurance Company S.A. Life Underwriting Risk is stable.

The Life Underwriting Risk is very sensitive to movements in the relevant Risk-free interest rate. A change will result in a change in the Best Estimate, which will influence the capital requirements for Life Underwriting Risk. In 2024, the relevant Risk-free interest rate decreased. Ceteris Paribus other developments, this results in a higher value of the Best Estimate and related capital requirements, because the average duration of Achmea's total Life portfolio is 11.3 years (2023: 11.2 years).

UNDERWRITING RISK LIFE INDIVIDUAL ENTITIES

€ MILLION

	2024	2023	Δ
Achmea Pensioen- en Levensverzekeringen N.V.	1,334	1,334	0
Union Poist'ovna A.S. (99.97%)	11	10	0
Interamerican Hellenic Insurance Company S.A. (99.89%)	23	23	-0
Achmea Reinsurance Company N.V.	43	45	-3
Total individual entities	1,410	1,412	-2
Diversification	-85	-83	-2
Total	**1,325**	**1,329**	**-4**

Diversification includes mainly the impact of the Pension Benefit Obligations and the impact of other Intra-Group transactions. In the Netherlands, Slovakia and in Greece, the mass lapse scenario has the most onerous outcome of all the three scenarios. At group level, the mass lapse scenario also applies.

Mortality Risk

The SCR for Mortality Risk is determined by calculating the liabilities with mortality rates which are increased by 15% for future years.

The SCR for Mortality Risk has increased by € 10 million to € 151 million and is mainly driven by Achmea Pensioen- en Levensverzekeringen N.V. The change in mortality shock is caused by changes in non-economic assumptions (€ 6 million) for Mortality, Lapse and Expenses and due to death risk insurance portfolio developments (€ 5 million). Reinsurance of Mortality Risk within Achmea Reinsurance Company N.V. has only a small effect on Mortality Risk. The change in economic assumptions due to the decrease of the interest rate curve had only a minor impact (€ 0.3 million).

Longevity Risk

The SCR for Longevity Risk is determined by calculating the liabilities with mortality rates that are decreased by 20% for future years.

The SCR for Longevity Risk increased by € 22 million to € 1,012 million. The increase in Longevity Risk is mainly caused by Achmea Pensioen- en Levensverzekeringen N.V. by changes in economic assumptions (€ 25 million). The change in economic assumptions was due to lower interest rate levels. The increase was offset by the decrease due to portfolio developments (run off of the portfolio), mainly caused by the closed book character of the portfolio.

Disability/Morbidity Risk

Ultimo 2024, there are no active collective contracts for more than 2 years. As a result Disability Risk can no longer increase. Disability Risk decreased in 2024 by € 2 million to € 0 million. Disability Risk decreased by € 2 million due to model changes and by € 0.5 million due to portfolio developments. As a result of the closed book character of the portfolio the premium income for disability is decreasing.

Lapse Risk

LAPSE RISK - LIFE

€ MILLION

	2024	2023	Δ
Lapse Increase	17	33	-16
Lapse Decrease	69	25	44
Mass Lapse	180	193	-13
Scenario Used	**Mass**	**Mass**	

In line with recent years mass lapse is the dominant scenario for the Life portfolios on the level of the Group.

The outcome of the Mass lapse scenario decreased due to a decrease within the Life portfolio of Achmea Pensioen- en Levensverzekeringen N.V. (€- 13 million). The decrease in lapse shock is caused by:

- the decreasing portfolio.
- a correction for an underestimation of the mass lapse due to an adjustment of lapse an premium surrender percentages.
- the impact due to the change in the valuation of the Dutch mortgage saving life insurance product ("spaarhypotheken").
- changes in non-economic assumptions, mainly because of an update of lapse assumptions.
- the change in interest rate levels.

The mass lapse scenario is the most onerous within all entities. Within Interamerican Hellenic Insurance Company S.A. Lapse Risk is stable. Within Union Poist'ovna A.S. Lapse Risk increased by € 0.4 million due to a model change (updated calculation of lapses for former products).

Expense Risk

The SCR for Expense Risk decreased by € 25 million to € 476 million. Expense Risk is determined by calculating the impact on the liabilities where the expenses are increased by 10% and the inflation rate has increased by 1%.

The decrease in Expense Risk is driven by the developments within Achmea Pensioen- en Levensverzekeringen N.V. The decrease in interest rate levels caused an increase in Expense Risk by € 10 million. Changes in non-economic assumptions caused a decrease of € 10 million, mainly due to the decrease in the inflation rate. Portfolio developments caused a decrease in Expense Risk by € 15 million. Model changes caused a decrease of € 10 million. Within Union Poist'ovna A.S. Expense Risk slightly decreased by € 0.3 million due to an annual update of costs assumptions. Within Interamerican Hellenic Insurance Company S.A. Expense Risk decreased by €- 0.1 million.

Revision Risk

Revision Risk only applies to annuity payments related to claims for damage insurance. There are no such insurances in the Achmea portfolio. Accordingly, the Revision Risk is zero.

Catastrophe Risk

The SCR for Catastrophe Risk increased by € 5 million to € 133 million. Catastrophe Risk is mainly driven by developments within Achmea Pensioen- en Levensverzekeringen N.V. Achmea applies the prescribed method to increment the mortality rates in the first projection year by 0.15% for the group model and the individual model.

The increase after reinsurance within Achmea Pensioen- en Levensverzekeringen N.V. is mainly due to a model improvement with regard to the underlying Best Estimate calculation and due to portfolio developments. Catastrophe Risk within Achmea Pensioen- en Levensverzekeringen N.V. is mitigated by a reinsurance contract with Achmea Reinsurance Company N.V. Within Union Poist'ovna A.S. and Interamerican Hellenic Insurance Company S.A. Catastrophe Risk is stable.

Diversification effects

The impact of diversification effects between sub-risks increased in 2024 by € 1 million due to the increase of the underlying sub-risks.

E.2.3.5. HEALTH UNDERWRITING RISK

Health Underwriting Risk consists of three components: Health Similar to Life (SLT), Health Similar to Non-Life (NSLT) and Health Catastrophe Risk. The Line of Business Health insurance is related to Health SLT. The Lines of Business Medical Expenses, Income Protection and Worker's Compensation are related to Health NSLT.

The Health SLT portfolio uses internal models for the Dutch disability portfolio for Disability/Morbidity and Revision Risk. This only relates to the legal entity Achmea Schadeverzekeringen N.V. The risk taxonomy of the PIM deviates from the risk taxonomy of the Standard Formula for Health SLT Underwriting Risk. Achmea first determines the SCR Health SF SLT and the SCR Health PIM SLT. These two outcomes are aggregated by means of implicit correlations.

For the Dutch Basic Health Insurance Obligations, Achmea used the HRES-parameters as put forward in the Implementing Technical Standard. For NSLT Premium Risk, the parameter/standard deviation is 2.7% and for Reserve Risk 5.0%.

With regard to the long contract boundary AOV a model change is implemented in 2023 for Incidence and Recovery Risk. Implementation of the required adjustments has led to the introduction of a Future Management Action (FMA). The FMA included in SCR calculations for AOV comprises defined premium increases when claims and combined ratio triggers are hit. The amount of the increase is based on target combined ratio levels for future accident years, after the first premium increase. The FMA for AOV, as an integral part of the PIM, has been approved by DNB. The FMA is triggered when the Combined Ratio of the most recent year is higher than 105% and the loss ratio of the most recent year is higher than 85%. If both are due to a deterioration of incidence and/or recovery.

HEALTH UNDERWRITING

€ MILLION

	2024	2023	Δ
Mortality	1	1	-0
Longevity	33	30	3
Disability/Morbidity/Revision	438	397	41
SLT Lapse	182	193	-12
Expense	82	62	21
Diversification	-238	-233	-5
SCR UR Health SLT	**498**	**450**	**48**
NSLT Lapse	26	24	2
Premium and Reserve	1,994	1,909	85
Diversification	-26	-24	-2
SCR UR Health NSLT	**1,994**	**1,909**	**85**
Health catastrophe	81	74	8
Diversification	-266	-242	-23
SCR UR Health	**2,307**	**2,191**	**117**

UNDERWRITING RISK HEALTH INDIVIDUAL ENTITIES

€ MILLION

	2024	2023
Achmea Pensioen- en Levensverzekeringen N.V.	0	0
Achmea Schadeverzekeringen N.V.	566	508
Interamerican Assistance General Insurance Company S.A. (99.89%)	0	0
N.V. Hagelunie	0	0
Achmea Zorgverzekeringen N.V.	197	196
Interpolis Zorgverzekeringen N.V.	64	61
Zilveren Kruis Zorgverzekeringen N.V.	1,248	1,219
De Friesland Zorgverzekeraar N.V.	203	186
FBTO Zorgverzekeringen N.V.	209	182
Union Poist'ovna A.S. (99.97%)	5	6
Interamerican Hellenic Insurance Company S.A. (99.89%)	39	37
Achmea Reinsurance Company N.V.	30	29
Total individual entities	**2,560**	**2,424**
Diversification	-253	-233
Total	**2,307**	**2,191**

The diversification includes mainly the impact of Intra-Group transactions, the impact of diversification within NSLT Premium and Reserve Risk and the impact of the Non-EEA entity Eureko Sigorta S.A.

Health SLT

The Health SLT portfolio uses Internal Models for the Dutch disability portfolio for Disability/Morbidity and Revision Risk. This only relates to the legal entity Achmea Schadeverzekeringen N.V.

Mortality Risk SLT

There were no material portfolio developments within Interamerican Hellenic Insurance Company S.A. As a result Mortality Risk has remained stable at € 1 million.

Longevity Risk SLT

Longevity Risk increased by € 3 million due to an increase within Achmea Schadeverzekeringen N.V. by € 1 million mainly driven by volume growth and updated assumptions for the AOV portfolio. Longevity Risk SLT increased within Interamerican Hellenic Insurance Company S.A. by € 2 million due to the update of non-economic assumptions related to WoP products.

Disability/Morbidity/Recovery Risk SLT

Disability/Morbidity Risk (Incidence + Recovery) increased by € 210 million to € 397 million. This is mainly caused by the major change LCB within Achmea Schadeverzekeringen N.V. The impact is mainly seen in Incidence Risk (€ 194 million). By taking into account the LCB, the timeframe in which an insured can become disabled is much larger. Recovery Risk (€ 16 million) also increased due to a higher volume caused by lower interest rates and an increased recovery shock (WIA) caused by the annual calibration. Within Interamerican Hellenic Insurance Company S.A. Disability/Morbidity Risk decreased by € 0.7 million due to the decreased yield curve.

Disability/Morbidity Risk (Incidence + Recovery) increased by € 41 million to € 438 million. This is mainly caused by AOV incidence risk (€ 35 million before diversification within incidence risk) within Achmea Schadeverzekeringen N.V. due to the annual calibration of risk factors and the change in the AOV data processing with regard to occupational classifications. As part of the WIA portfolio incidence risk increased (€ 38 million before diversification within incidence risk) further due to a higher volume and the termination of the stop loss coverage and the Quota Share contract from claims year 2025. Recovery risk decreased (€ 9 million) due to the high loss ratio for claims year 2021-2024, which hits the stop loss reinsurance. Within Interamerican Hellenic Insurance Company S.A. Disability/Morbidity Risk decreased by € 3 million due to the update of non-economic assumptions.

Lapse Risk SLT

In 2024 the ‘lapse mass scenario’ is the dominant scenario for Lapse Risk Health SLT at Group level, just like in 2023. The decrease by € 12 million is caused by the development within Achmea Schadeverzekeringen N.V. Lapse Risk as part of the AOV portfolio decreased as a result of the updated assumptions and the adjustment of the occupational cluster classification. Lapse Risk as part of the WIA portfolio increased due to the increased exposure as a result of the discontinuation of the reinsurance coverage. Within Interamerican Hellenic Insurance Company S.A. Lapse Risk decreased by € 0.1 million in the Mass Lapse scenario due to the decrease in the yield curve.

Expense Risk SLT

Expense Risk SLT increased by € 21 million mainly driven by the increase in portfolio volumes of the AOV portfolio and updated cost parameters at Achmea Schadeverzekeringen N.V. Within Union Poist’ovna A.S. and Interamerican Hellenic Insurance Company S.A. the impact was not material.

Health NSLT

Health NSLT consists of three lines of business, Medical Expenses, Income Protection and Workers’ compensation. Achmea applies an Internal Model for Income Protection. Medical Expenses accounts for the vast majority of the required capital of Health NSLT.

Lapse Risk NSLT

Lapse Risk NSLT increased by € 2 million caused by the increased portfolio of Eureko Sigorta A.S. Due to DNB guidelines for the LoB Medical Expenses Lapse Risk does not have to be taken into account for Achmea Zorgverzekeringen N.V. (consolidated) and its subsidiaries. The remaining impact is caused by Achmea Reinsurance Company N.V. (€ 0.2 million), Union Poist’ovna A.S. (€ 0.1 million), Interamerican Hellenic Insurance Company S.A. (€ 0.5 million) and Achmea Schadeverzekeringen N.V. (€- 0.5 million).

Premium and Reserve Risk Health NSLT

The increase of Health NSLT Premium and Reserve Risk mainly consists of the Dutch Health insurance business (based on the Standard Formula: € 77 million), Interamerican Hellenic Insurance Company S.A. (based on the Standard Formula; € 3 million) and Achmea Schadeverzekeringen N.V. (based on the Internal Model; € 12 million). The impact of diversification increased by € 7 million. All the changes in the Premium and Reserve Risk arise from development of the portfolio, changes in expected cash flows and its effect on the discounting. The remaining impact was caused by Union Poist’ovna A.S. (€- 0.9 million), Achmea Reinsurance Company N.V. (€ 1.0 million) and Eureko Sigorta A.S. (€ 1.3 million).

The increase of the premium volume in the Dutch Health insurance business was mostly due to expected cost inflation by 5.6%, reflected in an increase of the premium per insured. The number of insured in 2025 is approximately equal to 2024. The expected premium volume for 2024 has been adjusted downwards by € 269 million compared to FYR 2023, due to a decrease in the expected transformation costs, a decrease of the expected ex post safety net for mental health care and a decrease to an adjustment of portfolio effects. Within Achmea Schadeverzekeringen N.V. Premium Risk in 2024 increased by € 10 million due to increased volumes especially of the absenteeism portfolio and due to the impact of the risk factors based on the regular recalibration, especially for absenteeism. The impact of Covid-19 is deliberately not included because it is part of health Catastrophe Risk.

The volume measure for Reserve Risk (which equals the Best Estimate Claim Provision) within the Dutch Health insurance business increased in 2024. The total expected claim amount for accident year 2024 increased by 13% due to an increase in the number of insured and an increase in the health care costs per insured in 2024. This is reflected in the increase of the Best Estimate Claim Provision. On the other hand, there was a visible acceleration in the receipt and/or processing of claims. At FYR 2024 18% of the total claim amount of accident year 2024 was still outstanding (2023: 19%). The development in Claim Provision increased the SCR Premium and Reserve Risk by € 7 million.

Within Achmea Schadeverzekeringen N.V Reserve Risk increased by € 3 million. This is mainly caused by the increased provisions, especially the accident portfolio and Motor Personal Indemnity portfolio (SVI). The impact of the new risk factors based on the adjusted recalibration caused a decrease of € 2 million. Especially the absenteeism underwriting agents and Motor Personal Indemnity due to the elimination of the surcharge are affected.

Within Interamerican Hellenic Insurance Company S.A. Premium and Reserve Risk increased by € 3 million to growth of the insurance portfolio. Premium Risk within Union Poist'ovna A.S. decreased due to the termination of a reinsurance contract with Health insurance company PVZP.

Health Catastrophe Risk

HEALTH CATASTROPHE RISK

€ MILLION

	2024	2023	Δ
Mass Accident Risk	21	20	1
Accident Concentration Risk	41	34	7
Pandemic Risk	67	63	5
Diversification	-47	-42	-5
SCR CAT Risk Health	**81**	**74**	**8**

Within Achmea Schadeverzekeringen N.V. Catastrophe Risk increased by € 5 million due to the discontinuation of the WIA reinsurance contract.

Within the Dutch Health insurance business the Catastrophe Risk increased by € 3 million. This was mostly due to the yearly recalibration of the parameters for Mass Accident Risk (increase by 6.3%) and Pandemic Risk (increased by 5.5%). The number of insured increased by 0.2% from 2024 to 2025.

NON-LIFE UNDERWRITING RISK

The legal entities with a PIM for Non-life Premium and Reserve Risk are Achmea Schadeverzekeringen N.V., N.V. Hagelunie and Interamerican Hellenic Insurance Company S.A. The legal entities with a PIM for Non-life Catastrophe Risk (Natural) are Achmea Schadeverzekeringen N.V., N.V. Hagelunie, Interamerican Hellenic Insurance Company S.A. and Achmea Reinsurance Company N.V. The other legal entities within Achmea and the other sub risks are based on the SF. In terms of PIM SCR 91% (2023: 89%) of Non-Life Underwriting Risk is based on the PIM (before diversification).

For reinsurance contracts issued in Türkiye with Turkish counterparties where a Credit Quality Step lower than 3 is applicable, the Risk Mitigation Capacity of these reinsurance contracts is not taken into consideration. Based on the Solvency II legislation (article 211 regulation 2015/35) these reinsurance contracts may not be considered as effective risk mitigation within the group calculations.

Achmea has used the 'implicit correlation' approach to aggregate the capital requirements on Group level.

NON-LIFE UNDERWRITING RISK

€ MILLION

	2024	2023	Δ
Lapse	177	170	7
Premium and Reserve	878	897	-19
Catastrophe	668	654	13
Diversification	-481	-475	-7
SCR UR Non-Life	**1,242**	**1,247**	**-6**

Approximately 48% of Non-Life Underwriting Risk is driven by Achmea Schadeverzekeringen N.V., 17% by Achmea Reinsurance Company N.V., 22% by Eureko Sigorta A.S., 8% by Interamerican Hellenic Insurance Company S.A., 4% by N.V. Hagelunie and 1% by Union Poist'ovna A.S.

UNDERWRITING RISK NON-LIFE INDIVIDUAL ENTITIES

€ MILLION

	2024	2023
Achmea Schadeverzekeringen N.V.	923	929
Interamerican Assistance General Insurance Company S.A. (99.89%)	9	8
N.V. Hagelunie	82	80
Union Poist'ovna A.S. (99.97%)	21	21
Interamerican Hellenic Insurance Company S.A. (99.89%)	89	87
Achmea Reinsurance Company N.V.	223	185
Total individual entities	**1,347**	**1,311**
Diversification	-105	-64
Total	**1,242**	**1,247**

The diversification includes the impact of diversification within Non-Life Premium and Reserve Risk, Non-Life Catastrophe Risk and the impact of Intra-Group transactions. The contribution of Eureko Sigorta A.S. as a non-EEA entity in the group consolidation is included in line item diversification.

Lapse Risk

The SCR of Non-Life Lapse Risk is modelled according to the SF. In the Netherlands Lapse Risk decreased by € 1 million within Achmea Schadeverzekeringen N.V. due to increased profitable business with a lower Combined Ratio. Lapse Risk within Eureko Sigorta A.S. increased by € 6 million as a result of an increase in premiums and within Interamerican Hellenic Insurance Company S.A. by € 2 million due to an increased portfolio. Lapse Risk decreased by € 2 million within Achmea Reinsurance Company N.V. due to a decreased (external) reinsurance business.

Premium & Reserve Risk

Premium and Reserve Risk is modelled according to the PIM of Achmea and decreased by € 19 million.

The development in Premium and Reserve Risk is recognised within Achmea Schadeverzekeringen N.V. (€- 10 million) and Interamerican Hellenic Insurance Company S.A. (€ 3 million) where Premium and Reserve Risk is modelled according to the Internal Model of Achmea. The impact of Premium and Reserve Risk within N.V. Hagelunie (€- 5 million), Achmea Reinsurance Company N.V. (€- 18 million) and Eureko Sigorta A.S. (€ 19 million) is modelled according to the SF. The change is mainly caused by the development in volume and risk factors.

The decrease of Premium and Reserve Risk within Achmea Schadeverzekeringen N.V. is due to a lower Premium Risk as a result of lower risk factors for General Liability and Motor Vehicle Liability, partly offset by an increase due to higher volumes. The volumes increased due to increased expected claim cost in particular for Motor Vehicle Liability, General liability and Motor Other Classes, mostly due to inflation. In Q4 2024 the minor model change (MCD 36) is implemented. As a result the capital add-on of 20% for unmodelled business was reduced to 0%. This results in an overall decrease of the risk factor. The undiversified impact in the calibration is quantified at € 18 million. Reserve Risk decreased due to lower risk factors, partly offset by an increase due to a higher volume mainly for Motor Other Classes and Motor Vehicle Liability. For Reserve Risk a major model change was implemented in Q4 2024 (MCD 34). The Expert Panel methodology for bodily injury groups is replaced with a bootstrap model on incurred data, supplemented with a calendar year effect (30%). The impact of this model change and the regular yearly calibration of the premium risk factors decreased risk by € 44 million.

Within N.V. Hagelunie Premium and Reserve Risk decreased by € 5 million mainly as a result of a volume effect due to the settlement of old claims.

Within Interamerican Hellenic Insurance Company S.A. Premium and Reserve Risk increased by € 3 million. Premium Risk increased due to the increased own retention related to the renewed property reinsurance contract and by the updated Premium Risk factor calibration of property and miscellaneous lines of business. The updated Q4 2024 calibration contributed to the risk increase as a more accurate reflection of the impact of the Catastrophic events. Reserve Risk has remained fairly stable compared with Q4 2023.

Premium and Reserve Risk within Achmea Reinsurance Company N.V. decreased by € 18 million mainly due to the third-party non-life business being in run-off due to the strategic reorientation. Reserve Risk decreased due to changes (payments) within de claim reserve.

Within Eureko Sigorta A.S. Premium and Reserve Risk increased by € 19 million due to increased premiums related to the Fire and Motor Third Party Liability portfolio's.

Within Union Poist'ovna A.S. Premium and Reserve Risk remained stable. The increase of Premium Risk due to the exclusion of 8% levy in the Motor Third Party Liability portfolio is offset by an increased Reserve Risk due to new annuities, several bodily injury claims and is partially offset by active cleaning of the older reserves.

Catastrophe Risk

Achmea has developed an Internal Model for Natural Catastrophe Risk in which the Greek and Dutch Non-Life Natural Catastrophe Risk are included. Türkiye and Slovakia are included for Earthquake Risk according to SF[20].

CATASTROPHE RISK NON-LIFE

€ MILLION

	2024	2023	Δ
Natural	605	562	43
Catastrophe Risk Non-Proportional Property Reinsurance	0	13	-12
Man-Made	281	313	-32
Other	6	6	0
Diversification between sub-modules	-226	-240	14
SCR Catastrophe Risk Non-Life	**668**	**654**	**13**

Catastrophe Risk increased by € 13 million in the event of natural catastrophes due to a higher expected reinstatement premium for externally reinsured claims, growth of the portfolios in Australia, Canada and Türkiye and recovery of the deductible (annual aggregate deductible), which increases the required capital. This effect is partly offset by a lower man-made risk due to the termination of the Hyundai contract in Türkiye (Eti Soda contract is now leading).

E.2.3.6. INTANGIBLE ASSET RISK

INTANGIBLE ASSET RISK

€ MILLION

	2024	2023	Δ
Intangible Asset Risk	0	0	0
SCR Intangible Assets	**0**	**0**	**0**

[20] Man-made and Other is modelled according to the SF.

E.2.3.7. OPERATIONAL RISK

OPERATIONAL RISK

€ MILLION

	2024	2023	Δ
SCR OR based on Technical Provisions	391	382	9
SCR OR based on Earned Premiums	719	655	64
Charge before Capping	719	655	64
CAP BSCR	1,533	1,330	203
Charge after capping	719	655	64
Expenses Unit Linked Business	39	41	-2
Charge related to Expenses Unit Linked Business (25%)	10	10	-0
SCR Operational Risk	**729**	**666**	**63**

In line with recent years, the calculation for Achmea is based on the Premium Risk component, where the BSCR constraint is not hit. This results in the most onerous outcome.

Operational Risk increased as a consequence of the increased premium volumes in 2024 compared to 2023 in the Dutch Health insurance portfolio due to regular premium increases and due to increased premium volumes within Achmea Schadeverzekeringen N.V. and Eureko Sigorta S.A. This impact is partly compensated by the development within Achmea Pensioen- en Levensverzekeringen N.V. due to the decreased premiums as a result of the closed book portfolio.

OPERATIONAL RISK – SENSITIVE SCENARIO

	2024	2023
Achmea Pensioen- en Levensverzekeringen N.V.	Provision	Provision
Achmea Schadeverzekeringen N.V.	Premium	Premium
N.V. Hagelunie	Premium	Premium
Achmea Reinsurance Company N.V.	Premium	Premium
Achmea Zorgverzekeringen N.V. (consolidated)	Premium	Premium
Achmea Zorgverzekeringen N.V. (non-look through)	Premium	Premium
Zilveren Kruis Zorgverzekeringen N.V.	Premium	Premium
Interpolis Zorgverzekeringen N.V.	Premium	Premium
FBTO Zorgverzekeringen N.V.	Premium	Premium
De Friesland Zorgverzekeraar N.V.	Premium	Premium
Interamerican Hellenic Insurance Company S.A.	Premium	Provision
Interamerican Assistance General Insurance Company S.A.	Premium	Premium
Union Poist'ovna A.S.	Premium	Premium
Eureko Sigorta A.S.	Premium	Provision

During 2024 the sensitive scenario changed within Interamerican Hellenic Insurance Company S.A. and Eureko Sigorta A.S.

OPERATIONAL RISK INDIVIDUAL ENTITIES

	2024	2023
Achmea Pensioen- en Levensverzekeringen N.V.	121	125
Achmea Schadeverzekeringen N.V.	130	123
Interamerican Assistance General Insurance Company S.A. (99.89%)	1	1
N.V. Hagelunie	4	4
Achmea Zorgverzekeringen N.V.	38	36
Interpolis Zorgverzekeringen N.V.	19	18
Zilveren Kruis Zorgverzekeringen N.V.	356	337
De Friesland Zorgverzekeraar N.V.	57	50
FBTO Zorgverzekeringen N.V.	68	31
Union Poist'ovna A.S. (99.97%)	4	4
Interamerican Hellenic Insurance Company S.A. (99.89%)	14	13

Achmea Reinsurance Company N.V.	10	11
Total individual entities	**822**	**752**
Diversification	-93	-87
Total	**729**	**666**

In line with recent years the calculation for Achmea is based on the dominant Premium Risk component. The calculation of Operational Risk of most entities within Achmea is based on the premium based component, except for Achmea Pensioen- en Levensverzekeringen N.V. In 2024 the provision based component within Interamerican Hellenic Insurance Company S.A. and Eureko Sigorta A.S. changed to the premium based component. In line with last year this caused the impact of diversification on Group level. The contribution of Eureko Sigorta A.S. as a non-EEA entity in the group consolidation is included in line item diversification.

E.2.3.8. LOSS-ABSORBING CAPACITY OF EXPECTED PROFITS

LOSS-ABSORBING CAPACITY OF EXPECTED PROFITS

€ MILLION

	2024	2023	Δ
LACEP Underwriting Risk	-178	-128	-50
LACEP Market Risk	-394	-359	-35
Total LACEP	**-573**	**-487**	**-85**

The methodology to calculate the capital requirements for Market Risk within the Internal Model results in a so called 'Profit-at-Risk value (PaR)'. In the calculation the appropriate returns of the coming twelve months are taken into consideration. However, the SCR should be based at a Value-at-Risk (VaR) basis. In order to arrive at the VaR, Achmea has determined the LACEP Market Risk (PaR + LACEP = VaR). The LACEP Market Risk is calculated as the expected excess return for the total return assets above risk-free rate (1-year German government bond).

The impact of the LACEP Market Risk increased by € 35 million due to increased volumes through re-risking and due to other purchases of shares, hedge funds and commodities and positive returns (€ 95 million). These effects are partly offset by a decrease in the 1-year German interest rate (€- 60 million). The 1-year German government bond is 2.13 bps (2023: 3.02 bps).

The impact of the LACEP Underwriting Risk increased due to volume growth with higher expected profitability, including through premium measures based on the 2025 budget of the Dutch insurance portfolio. The decreased interest rate leads to higher claims costs and thus lower profit. The incoming cash flow (premium) increased and has a short duration, while the claims payments have a longer duration. On balance the interest rate development has a positive effect. The LACEP Underwriting Risk on group level is the sum of the LACEP Underwriting Risk of Achmea Schadeverzekeringen N.V. (€- 154 million), N.V. Hagelunie (€- 11 million) and Interamerican Hellenic Insurance Company S.A. (€- 12 million).

LACEP MARKET RISK AND UNDERWRITING RISK - INDIVIDUAL ENTITIES

€ MILLION

	2024	2023	Δ
Achmea Pensioen- en Levensverzekeringen N.V.	-243	-213	-30
Achmea Schadeverzekeringen N.V.	-216	-172	-44
N.V. Hagelunie	-15	-12	-3
Interamerican Hellenic Insurance Company S.A. (99.89%)	-12	-12	-1
Achmea Reinsurance Company N.V.	-26	-35	9
Total individual entities	**-513**	**-442**	**-71**
Diversification	-59	-45	-14
Total	**-573**	**-487**	**-86**

The impact on 'Diversification' includes the LACEP Market Risk of the non-insurance entities, the LACEP Market Risk of Achmea Zorgverzekeringen N.V. and excludes the impact of LACEP Underwriting Risk of Achmea Reinsurance Company N.V. due to the intercompany characteristic.

E.2.3.9. LOSS ABSORBING CAPACITY OF TECHNICAL PROVISIONS

The Loss-Absorbing Capacity of Technical Provisions (LACTP) is negligible as was the case in 2023.

E.2.3.10. LOSS-ABSORBING CAPACITY DEFERRED TAXES

The amount recognised as LACDT has been based on the Solvency II legislation and local additional guidance submitted by National Supervisory Authorities, including the supervisory guidance and the outcomes of the supervisory guidance.

The LACDT is determined on the level of the individual legal insurance entities and based on Solvency II legislation and local fiscal legislation. On Group Level the solo determined LACDT is aggregated taking the diversification effects into account.

LOSS-ABSORBING CAPACITY OF DEFERRED TAXES

€ MILLION

	2024	2023	Δ
SCR Loss-Absorbing Capacity of Deferred taxes	-688	-581	-107

The adjustment based on the diversification effect recognised at Achmea Group Level is 73.6% (2023: 70.7%). The increase is the result of higher recognised LACDT amounts in the underlying entities. The increase is caused by an increase of the LACDT for the Dutch insurance entities Achmea Pensioen- en Levensverzekeringen N.V. (€ 109 million) and Achmea Schadeverzekeringen N.V. (€ 4 million) mainly explained by an increase in Market Risk and was caused by re-risking in equities and alternatives, combined with the buyback of equities sold in 2023.

RECOGNISED ADJUSTMENT FACTOR ON SOLO LEVEL (ADJDT) PIM

€ MILLION

	2024	2023
Achmea Pensioen- en Levensverzekeringen N.V.	525	416
Interamerican Hellenic Insurance Company S.A.	0	0
Achmea Schadeverzekeringen N.V.	326	322
Eureko Sigorta S.A.	0	0
Interamerican Assistance General Insurance Company S.A.	0	0
N.V. Hagelunie	24	24
Union Poist'ovna A.S.	1	1
Achmea Reinsurance Company N.V.	61	58
Total without applying guideline 22	**936**	**821**
Total recognised	**688**	**581**

The decrease of the LACDT amount within Achmea Reinsurance Company N.V. is caused by the decrease of the applicable SCR, mainly due to the third-party non-life business being in run-off.

For Interamerican Hellenic Insurance Company S.A. a full recoverability analysis has been implemented resulting to no LACDT as the entity holds significant DTA amount and could not recover the additional increase in the DTA due to the LACDT-scenario.

E.2.3.11. OTHER COMPONENTS OF THE GROUP REQUIREMENTS

OTHER FINANCIAL SECTORS

Due to guidance of DNB on the treatment of CRD-entities within a MFHC the CRD-entities (Achmea Bank N.V., Achmea Investment Management B.V., Achmea Real Estate B.V., Achmea Mortgage Fund B.V., Achmea IM AM B.V and Achmea IM FM B.V.) are included in the Solvency II consolidation for Achmea Group.

SCR OTHER FINANCIAL SECTORS

€ MILLION

	2024	2023	Δ
Achmea Bank N.V.	837	715	123
Achmea Investment Management B.V.	31	30	1
Asset Management			
- Syntrus Achmea Real Estate & Finance B.V.	n.a.	18	-18
- Achmea Real Estate B.V.	12	n.a.	12
- Achmea Mortgage Fund B.V.	7	n.a.	7
Achmea IM AM B.V.	5	n.a.	5
Achmea IM FM B.V.	7	n.a.	7
Union Zdravotna Poist'ovna A.S.	17	17	0
Centraal Beheer PPI N.V.	9	8	1
Total SCR Other financial sectors	**925**	**787**	**138**

The capital requirements for Achmea Bank N.V. are based on the latest Supervisory Review and Evaluation Process (SREP) communication of DNB (Pillar I + II: 12.1% and 2.5% Combined Buffer Requirement). This percentage is adjusted by the Countercyclical buffer (CCyB) declared by DNB based on their periodic assessment (2%[21]). The capital requirements is 16.6% (2023: 15.6%) of the Risk Weighted Assets. In 2023, the Dutch Central Bank has approved the application for an Advanced Internal Rating-Based status (A-IRB Bank) of Achmea Bank N.V. This status enables Achmea Bank N.V. to use advanced internal models to calculate its credit risks and this results in improved risk management and customer service, both in the acceptance and management of mortgages. DNB also imposed a temporary output floor which resembles the Standardised approach. The Risk Weighted Assets of Achmea Bank N.V. increased due to the acquisition of residential mortgage portfolios of A.S.R. in 2024 and the regular growth of the mortgage portfolio, including via the Munt label.

For Achmea Investment Management B.V., Achmea IM AM B.V. (renamed Blue Sky Group Asset Management B.V.), Achmea IM FM B.V. (renamed Blue Sky Groep Fund Management B.V.), Achmea Real Estate B.V. and Achmea Mortgage Funds B.V., Achmea, has to apply the requirements of the IFR/IFD Regulation in 2024. For Achmea Real Estate B.V., the capital requirement is the highest of:

1. 25% of the fixed overhead expenses of the preceding 12 months (ARE: € 48 million; AMF: € 27 million; AIM: € 115 million).
2. The permanent minimum requirement following the IFR/IFD legislation (ARE: € 0.15 million; AIM: € 0.08 million).
3. The 'k'-factor (ARE: € 0.3 million; AIM: € 18.2 million).

For Achmea Investment Management B.V. Achmea applies a required capital of € 30.9 million based on ICLAAP rules. This required capital is higher than the requirements based on the IFR/IFD Regulation, mainly due to the larger scope of the assets under management taken into account within ICLAAP 2024 (including mutual funds).The capital requirement of AIM increased due to the higher Assets under Management.

For Achmea IM AM B.V. and Achmea IM FM B.V., the capital requirement according to the overhead costs are applied.

In 2024, Syntrus Achmea Real Estate and Finance B.V. was split into Achmea Real Estate B.V. (ARE) and Achmea Mortgage Funds B.V. (AMF).

The SCR of Achmea Bank N.V. increased due to the acquisition of residential mortgage portfolios of A.S.R. in 2024 and the regular growth of the mortgage portfolio, including via the Munt label.

The Risk Weighted Assets of Achmea Bank N.V. increased due to the acquisition of residential mortgage portfolios of A.S.R. in 2024 and the regular growth of the mortgage portfolio, including via the Munt label. The capital requirement for the CB PPI increased due to regular growth of the underlying managed capitals for the pension liabilities. The capital requirement of Union Zdravotna Poist'ovna A.S. has remained unchanged. The capital requirement is equal to the legal minimum requirement in Slovakia for a health insurance company.

21 As of May 2024, the CCyB is increased by 1% to 2% of the Risk Weighted Assets.

SCR OTHER ENTITIES

€ MILLION

	2024	2023	Δ
De Vereende	4	4	0
Non Ancillary entities	18	18	-0
Total SCR Other Entities	**21**	**22**	**-0**

The included capital requirement of € 4 million is equal to 20% of the SII SF capital requirement of De Vereende. Achmea Schadeverzekeringen N.V. has a 20% capital share in De Vereende. De Vereende uses the Standard Formula, which is used as reference by Achmea in the addition of the capital requirement.

The capital requirement of the Other entities decreased due to the Non Ancillary entities. The Non Ancillary entities are part of Achmea but undertake no activities which are supporting the insurance entities. These entities are classified as a Non Ancillary service entity. The capital requirement decreased by € 1 million in 2024 due a decrease of the underlying adjusted net asset value. This impact was partly offset by a higher equity type 2 shock (2024: 51.86%; 2023: 50.46%). The capital requirement decreased further due to the sale of the participation in Onlia Holding Inc. by Achmea Canada Holding Inc.

E.2.4. MINIMUM CAPITAL REQUIREMENT

The following table shows the Minimum Capital Requirement (MCR) of Achmea at the end of 2024 and 2023.

MINIMUM CAPITAL REQUIREMENT PIM

€ MILLION

	2024	2023	Δ
SCR Consolidated	4,580	4,031	548
MCR	2,392	2,165	227
MCR/SCR (%)	52%	54%	-1%

The MCR for Achmea Group is equal to the sum of the solo MCR's of all insurance entities (excluding Other Financial sectors). No diversification effects between the insurance entities are taken into account. This is based on Solvency legislation imposed by EIOPA. The MCR of Eureko Sigorta A.S. is equal to 1/3 of the local SCR, also based on EIOPA guidance. Achmea has not eliminated the Intra-Group positions (with regards to premiums and Technical Provisions) influencing the volume-factors with regards to the solo MCR calculations.

The net increase in MCR is mainly caused by an increase in the underlying MCR of Achmea Pensioen- en Levensverzekeringen N.V. (€ 106 million), Achmea Schadeverzekeringen N.V. (€ 5 million) and Achmea Zorgverzekeringen N.V. (€ 107 million). In 2023 and 2024 the MCR of Achmea Schadeverzekeringen N.V. was capped at 45% of the SCR. The MCR of Achmea Pensioen- en Levensverzekeringen N.V. is no longer capped in 2024 and the MCR of Achmea Zorgverzekeringen N.V. increased due to portfolio movements.

MCR INDIVIDUAL ENTITIES

€ MILLION

	2024	2023	Δ
Achmea Pensioen- en Levensverzekeringen N.V.	769	664	106
Achmea Schadeverzekeringen N.V.	422	417	5
Interamerican Assistance General Insurance Company S.A. (99.89%)	5	5	0
N.V. Hagelunie	17	17	0
Union Poist'ovna A.S. (99.97%)	16	16	0
Interamerican Hellenic Insurance Company S.A. (99.89%)	59	57	2
Achmea Reinsurance Company N.V.	44	43	1
Achmea Zorgverzekeringen N.V. (Consolidated)	1,033	927	107
Eureko Sigorta A.S.	26	20	6
Total	**2,392**	**2,165**	**227**

Subject to the cap of 45% of the SCR are Achmea Schadeverzekeringen N.V. and Interamerican Assistance General Insurance Company S.A.

Subject to the floor of 25% of the SCR are N.V. Hagelunie and Achmea Reinsurance Company N.V.

For the remaining entities no cap or floor is applied.

IMPACT OF VOLATILITY ADJUSTMENT ON THE MCR

€ MILLION

	INCLUDING VA		EXCLUDING VA		IMPACT VA	
	2024	2023	2024	2023	2024	2023
Total Group Solvency Capital Requirement Consolidated	4,580	4,031	5,745	5,277	1,166	1,246
MCR	2,392	2,165	2,465	2,342	73	177
MCR/Total Group Solvency Capital Requirement Cons (%)	52%	54%	43%	44%	6%	14%

The use of the VA has an impact on the MCR because the value of the Best Estimate is higher when the VA is not used (lower discount rate).

E.3. USE OF THE DURATION BASED EQUITY SUB-MODULE IN THE CALCULATION OF THE SCR

Achmea does not use the duration-based Equity sub-module.

E.4. DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODEL USED

For a description of the differences between the Standard Formula and the Internal Models, please refer to the key assumptions set out by Achmea in paragraph E.2.2.

The structure of the Internal Model is described in C. Risk profile. Non-compliance with the MCR and non-compliance with the SCR.

As at 31 December 2024, solvency levels of the Achmea Group and all legal entities under supervision met the prudential requirements.

E.5. ANY OTHER INFORMATION

Achmea Group has no other information to disclose which would be relevant in this chapter.

APPENDIX 1: SFCR ENTITIES ACHMEA GROUP

A number of legal entities within Achmea Group disclose a Solvency and Financial Condition report. Underneath the link to the individual reports.

SFCR SUPERVISED ENTITIES ACHMEA GROUP

	REFERENCE	PUBLICATION DATE
Achmea Group	https://www.achmea.nl/investors/publicaties	9 April 2025
Interamerican Hellenic Insurance Company S.A.	https://www.interamerican.gr/interamerican/stoixeia-fereggyotitas	8 April 2025
Interamerican Assistance General Insurance Company S.A.	https://www.interamerican.gr/interamerican/stoixeia-fereggyotitas	8 April 2025
Union Poisťovna A.S.	https://www.union.sk/sprava-o-solventnosti-a-financnom-stave	7 April 2025

APPENDIX 2: SENSITIVITIES

As part of risk management practices Achmea assesses the sensitivities of the Technical Provisions, Basic Own Funds and solvency position to changes in the underlying assumptions of the Risk-free interest rate for those insurance entities sensitive to these assumptions. Achmea currently assesses the following sensitivities:

- use of the VA.
- change in UFR.
- change in the Last Liquid Point (30 years).

The baseline is the calculation of the solvency position based on the application of the PIM and the use of the VA (where applied within the group).

Compared with the baseline the relevant Risk-free interest rate is lower which, increases the value of the Best Estimate. The higher Best Estimate of the Technical Provisions subsequently results in higher capital requirements where the Best Estimate is used as volume factor. The higher value of the Best Estimate and the higher capital requirements result in a higher Risk Margin. Where relevant these changes also have an upward impact on the net Deferred Tax Assets and this also has a negative impact on the value of the LACDT. All these changes together result in a negative impact on the solvency position.

As part of its risk management practices Achmea assesses the sensitivities of the Economic Balance Sheet, Basic Own Funds and solvency position to changes in the economic variables. Achmea currently assesses the following sensitivities:

- A change in equity prices (-20%).
- A change in property prices (-20%).

The scenario with respect to ‘equity prices’ are only related equity investments and not ‘Equipment’. In the baseline ‘Equipment’ is shocked as part of ‘Type 2’ exposures. A decrease in equity or property values will result in a reduction in solvency ratios, mainly as a result of a reduction in the Available Own Funds.

Achmea Pensioen- en Levensverzekeringen N.V.

SENSITIVITIES

€ MILLION

	TECHNICAL PROVISIONS	OWN FUNDS	SCR	SOLVENCY RATIO 2024	SOLVENCY RATIO 2023
Baseline	34,006	3,130	1,786	175%	177%
Last liquid point 30 years	34,435	2,746	1,845	149%	147%
Property prices -20%	34,006	2,918	1,782	164%	163%
Equity prices -20%	34,006	2,623	1,706	154%	158%

IMPACT OF VOLATILTY ADJUSTMENT ON TECHNICAL PROVISIONS

€ MILLION

	ECONOMIC	EXCLUDING VA	IMPACT VA
Technical provisions (gross)	34,006	34,602	-595
Technical provisions – Life (excluding Health and Index Linked and Unit Linked)	26,174	26,759	-585
Technical provisions – Index Linked and Unit Linked	7,832	7,843	-11
Recoverables from reinsurance	28	28	-0
Technical provisions – Life (excluding Health and Index Linked and Unit Linked)	28	28	-0
Technical provisions – Index Linked and Unit Linked	0	0	0
Technical provisions minus recoverables from reinsurance	33,978	34,574	-596
Technical provisions – Life (excluding Health and Index Linked and Unit Linked)	26,146	26,731	-585
Technical provisions – Index Linked and Unit Linked	7,832	7,843	-11

Achmea Schadeverzekeringen N.V.

SENSITIVITIES

€ MILLION

	TECHNICAL PROVISIONS	OWN FUNDS	SCR	SOLVENCY RATIO 2024	SOLVENCY RATIO 2023
Baseline	5,816	1,468	938	157%	143%
Equity prices -20%	5,816	1,391	926	150%	135%
Property prices -20%	5,816	1,410	934	151%	136%

IMPACT OF VOLATILTY ADJUSTMENT ON TECHNICAL PROVISIONS

€ MILLION

	ECONOMIC BALANCE SHEET	EXCLUDING VA	IMPACT VA
Technical provisions (gross)	5,816	5,888	-72
Technical provisions – Non-Life (excluding Health)	3,356	3,385	-29
Technical provisions – Health (similar to Non-Life)	285	287	-2
Technical provisions – Health (similar to Life)	2,175	2,216	-41
Recoverables from reinsurance	520	526	-6
Reinsurance recoverables – Non-Life (excluding Health)	88	89	-1
Reinsurance recoverables – Health (similar to Non-Life)	0	0	-0
Reinsurance recoverables – Health (similar to Life)	431	437	-6
Technical provisions minus recoverables from reinsurance	5,296	5,361	-66
Technical provisions – Non-Life (excluding Health)	3,268	3,296	-28
Technical provisions – Health (similar to Non-Life)	285	286	-2
Technical provisions – Health (similar to Life)	1,744	1,779	-36

N.V. Hagelunie

SENSITIVITIES

€1,000

	TECHNICAL PROVISIONS	OWN FUNDS	SCR	SOLVENCY RATIO 2024	SOLVENCY RATIO 2023
Baseline	57,883	210,134	68,118	308%	241%
Equity prices -20%	57,883	201,521	66,838	302%	230%

IMPACT OF VOLATILTY ADJUSTMENT ON TECHNICAL PROVISIONS

€1,000

	ECONOMIC BALANCE SHEET	EXCLUDING VA	IMPACT VA
Technical provisions (gross)	57,883	58,142	-260
Technical provisions – Non-Life (excluding Health)	57,883	58,142	-260
Recoverables from reinsurance	10,125	10,318	-193
Reinsurance recoverables – Non-Life (excluding Health)	10,125	10,318	-193
Technical provisions minus recoverables from reinsurance	47,758	47,825	-67
Technical provisions – Non-Life (excluding Health)	47,758	47,825	-67

Achmea Reinsurance Company N.V.

SENSITIVITIES

	OWN FUNDS	SCR	SOLVENCY RATIO 2024	SOLVENCY RATIO 2023
Baseline	375,436	174,788	215%	184%
Equity prices -20%	344,592	168,534	204%	174%

Achmea Zorgverzekeringen N.V. (consolidated)

SENSITIVITIES

€ 1,000

	TECHNICAL PROVISIONS	OWN FUNDS	SCR	SOLVENCY RATIO 2024	SOLVENCY RATIO 2023
Baseline	4,527,795	4,213,987	2,629,137	160%	162%
Equity prices -20%	4,527,795	4,058,030	2,575,048	158%	159%

APPENDIX 3: PREMIUMS, CLAIMS AND EXPENSES BY MAJOR LINE OF BUSINESS

Non-Life

PREMIUMS, CLAIMS AND EXPENSES NON-LIFE BY LINE OF BUSINESS

€ MILLION

	2024					
	MEDICAL EXPENSE INSURANCE	FIRE AND OTHER DAMAGE TO PROPERTY INSURANCE	MOTOR VEHICLE LIABILITY INSURANCE	OTHER MOTOR INSURANCE	OTHER	TOTAL
Gross written Premiums	17,822	1,634	1,188	736	1,307	22,689
Net earned Premiums	17,780	1,401	1,113	710	1,065	22,069
Claims Incurred (net)	17,132	619	945	441	697	19,835
Expenses Incurred	504	453	315	212	421	1,905

PREMIUMS, CLAIMS AND EXPENSES NON-LIFE BY LINE OF BUSINESS

€ MILLION

	2023					
	MEDICAL EXPENSE INSURANCE	FIRE AND OTHER DAMAGE TO PROPERTY INSURANCE	MOTOR VEHICLE LIABILITY INSURANCE	OTHER MOTOR INSURANCE	OTHER	TOTAL
Gross written Premiums	14,953	1,443	3,063	663	-897	19,225
Net earned Premiums	15,329	1,253	992	616	1,000	19,189
Claims Incurred (net)	14,672	755	788	372	515	17,101
Expenses Incurred	492	408	286	185	393	1,764

For a breakdown of the line of business medical expense insurance to the Dutch health entities we refer to A.2. Underwriting performance.

In table below only the major lines of business of the Dutch Non-Life entities Achmea Schadeverzekeringen N.V., N.V Hagelunie and Achmea Reinsurance Company N.V. are stated:

PREMIUMS, CLAIMS AND EXPENSES NON-LIFE BY MAJOR LINE OF BUSINESS

€ MILLION

MOTOR THIRD PARTY LIABILITIY	2024			2023		
	ACHMEA SCHADEVERZEKERINGEN N.V.	N.V. HAGELUNIE	ACHMEA REINSURANCE N.V.	ACHMEA SCHADEVERZEKERINGEN N.V.	N.V. HAGELUNIE	ACHMEA REINSURANCE COMPANY
Gross written Premiums	974	0	0	876	0	16
Net earned Premiums	927	0	0	862	0	22
Claims Incurred (net)	794	0	0	778	0	26
Expenses Incurred	274	0	0	264	0	5
MOTOR OTHER						
Gross written Premiums	632	0	0	570	0	0
Net earned Premiums	588	0	0	542	0	0
Claims Incurred (net)	367	0	0	355	0	0
Expenses Incurred	186	0	0	181	0	0
FIRE						
Gross written Premiums	1.200	148	-1.4	1,109	134	57
Net earned Premiums	1.052	83	11	993	78	61
Claims Incurred (net)	496	18	6	550	30	21
Expenses Incurred	381	24	4	348	29	18

Life

Achmea Pensioen- en Levensverzekeringen N.V. contributes 61% to the life line of business in the Netherlands. The remaining part is contributed by Achmea Schadeverzekeringen N.V. (health insurance life) for 29% and Achmea Reinsurance Company N.V. (life reinsurance) for 10%.

PREMIUMS, CLAIMS AND EXPENSES LIFE BY LINE OF BUSINESS

€ MILLION

	2024					
	HEALTH INSURANCE	INSURANCE WITH PROFIT PARTICIPATION	INDEX LINKED AND UNIT LINKED INSURANCE	OTHER LIFE INSURANCE	OTHER	TOTAL
Gross written Premiums	394	65	67	579	77	1,181
Net earned Premiums	279	65	67	576	68	1,055
Claims Incurred (net)	257	530	608	1,446	46	2,887
Expenses Incurred	97	54	63	87	24	325

PREMIUMS, CLAIMS AND EXPENSES LIFE BY LINE OF BUSINESS

€ MILLION

	2023					
	HEALTH INSURANCE	INSURANCE WITH PROFIT PARTICIPATION	INDEX LINKED AND UNIT LINKED INSURANCE	OTHER LIFE INSURANCE	OTHER	TOTAL
Gross written Premiums	384	131	89	662	85	1,351
Net earned Premiums	274	130	89	660	65	1,219
Claims Incurred (net)	211	607	481	1,346	23	2,668
Expenses Incurred	98	63	65	92	23	341

APPENDIX 4: COMPANY ECONOMIC BALANCE SHEET DUTCH (RE)INSURANCE ENTITIES

ECONOMIC BALANCE SHEET

€ MILLION

ASSETS	2024 ACHMEA PENSIOEN LEVENSVERZEKERINGEN	ACHMEA REINSURANCE COMPANY	ACHMEA SCHADEVERZEKERINGEN	HAGELUNIE	ACHMEA ZORGVERZEKERINGEN (SOLO)	DE FRIESLAND ZORGVERZEKERAAR	FBTO ZORGVERZEKERINGEN	INTERPOLIS ZORGVERZEKERINGEN	ZILVEREN KRUIS ZORGVERZEKERINGEN
Intangible assets	0	0	0	0	0	0	0	0	0
Deferred tax assets	641	0	8	0	0	0	0	0	0
Property, plant & equipment held for own use	0	0	2	0	0	0	0	0	0
Investments (other than assets held for Index Linked and Unit Linked contracts)	20,797	522	5,620	256	4,229	475	621	128	3,681
Property (other than for own use)	668	0	0	0	0	0	0	0	0
Holdings in related undertakings, including participations	483	0	40	0	3,271	1	0	0	0
Equities	1,118	143	223	32	135	45	16	15	254
Bonds	10,347	276	4,695	196	727	410	489	106	3,296
Collective Investments Undertakings	1,207	77	537	23	93	17	6	6	98
Derivatives	3,693	1	14	0	0	0	0	0	1
Deposits other than cash equivalents	357	0	57	0	0	0	10	0	25
Other investments	2,923	25	55	5	3	1	0	0	7
Assets held for Index Linked and Unit Linked funds	8,084	0	0	0	0	0	0	0	0
Loans and mortgages	11,903	0	1,271	0	1	0	0	0	1
Reinsurance recoverables	28	367	520	10	0	0	0	0	0
Deposits to cedants	0	11	0	0	0	0	0	0	0
Insurance and intermediaries receivables	16	2	173	6	2	313	328	131	1,656
Reinsurance receivables	0	1	0	1	0	0	0	0	0
Receivables	512	5	86	5	117	100	102	49	870
Cash and cash equivalents	160	35	133	25	84	49	36	41	132
Any other assets, not elsewhere shown	0	0	130	6	0	0	0	0	1
Total assets	**42,141**	**942**	**7,943**	**309**	**4,434**	**937**	**1,087**	**349**	**6,341**

ECONOMIC BALANCE SHEET

€ MILLION

LIABILITIES	2024 ACHMEA PENSIOEN LEVENSVERZEKERINGEN	ACHMEA REINSURANCE COMPANY	ACHMEA SCHADEVERZEKERINGEN	HAGELUNIE	ACHMEA ZORGVERZEKERINGEN (SOLO)	DE FRIESLAND ZORGVERZEKERAAR	FBTO ZORGVERZEKERINGEN	INTERPOLIS ZORGVERZEKERINGEN	ZILVEREN KRUIS ZORGVERZEKERINGEN
Technical provisions – non-life (excluding health)	0	260	3,356	57	0	0	0	0	0
Technical provisions - health (similar to non-life)	0	10	285	0	141	463	567	160	3,197
Technical provisions - health (similar to life)	0	277	2,175	0	0	0	0	0	0
Technical provisions – life (excluding health and Index Linked and Unit Linked)	26,174	-3	0	0	0	0	0	0	0
Technical provisions – Index Linked and Unit Linked	7,831	0	0	0	0	0	0	0	0
Provisions other than technical provisions	0	0	77	2	0	0	0	0	4
Deposits from reinsurers	0	1	0	0	0	0	0	0	0
Deferred tax liabilities	294	6	0	16	0	0	0	0	0
Derivatives	1,877	4	12	1	3	1	0	0	6
Financial liabilities other than debts owed to credit institutions	0	0	2	0	0	0	0	0	198
Insurance & intermediaries payables	326	0	223	2	1	37	56	14	237
Reinsurance payables	9	0	23	0	0	0	0	0	0
Payables (trade, not insurance)	90	7	93	17	4	35	16	6	89
Subordinated liabilities not in Basic Own Funds	0	0	0	0	0	0	0	0	0
Subordinated liabilities in Basic Own Funds	0	0	0	0	0	0	0	0	0
Any other liabilities, not elsewhere shown	2,035	4	207	3	56	6	13	0	356
Total liabilities	**38,638**	**566**	**6,454**	**98**	**205**	**542**	**652**	**181**	**4,088**
Excess of assets over liabilities	**3,504**	**375**	**1,490**	**210**	**4,229**	**396**	**435**	**168**	**2,253**

ECONOMIC BALANCE SHEET

€ MILLION

ASSETS (2023)	ACHMEA PENSIOEN LEVENSVERZEKERINGEN	ACHMEA REINSURANCE COMPANY	ACHMEA SCHADEVERZEKERINGEN	HAGELUNIE	ACHMEA ZORGVERZEKERINGEN (SOLO)	DE FRIESLAND ZORGVERZEKERAAR	FBTO ZORGVERZEKERINGEN	INTERPOLIS ZORGVERZEKERINGEN	ZILVEREN KRUIS ZORGVERZEKERINGEN
Intangible assets	0	0	0	0	0	0	0	0	0
Deferred tax assets	650	0	0	0	0	0	0	0	0
Property, plant & equipment held for own use	0	0	2	0	0	0	0	0	0
Investments (other than assets held for Index Linked and Unit Linked contracts)	20,657	522	5,592	216	3,967	462	292	137	3,278
Property (other than for own use)	679	0	0	0	0	0	0	0	0
Holdings in related undertakings, including participations	285	0	30	0	3,127	2	0	0	0
Equities	498	118	139	25	91	31	11	10	171
Bonds	10,219	317	4,801	165	661	410	275	121	2,991
Collective Investments Undertakings	989	69	506	20	84	17	6	6	95
Derivatives	4,514	3	9	0	1	1	0	0	3
Deposits other than cash equivalents	385	-0	50	0	0	0	0	0	13
Other investments	3,087	15	57	5	3	1	0	0	5
Assets held for Index Linked and Unit Linked funds	7,908	0	0	0	0	0	0	0	0
Loans and mortgages	12,071	0	1,184	0	1	20	0	0	2
Reinsurance recoverables	40	279	366	28	0	0	0	0	0
Deposits to cedants	0	13	0	0	0	0	0	0	0
Insurance and intermediaries receivables	34	0	198	5	2	268	189	121	1,499
Reinsurance receivables	0	0	7	7	0	0	0	0	0
Receivables	1,261	3	71	1	101	76	77	45	925
Cash and cash equivalents	322	39	99	28	50	34	242	34	105
Any other assets, not elsewhere shown	-0	1	115	5	0	0	0	0	4
Total assets	**42,942**	**858**	**7,635**	**290**	**4,121**	**860**	**800**	**337**	**5,814**

ECONOMIC BALANCE SHEET

€ MILLION

2023 LIABILITIES	ACHMEA PENSIOEN LEVENSVERZEKERINGEN	ACHMEA REINSURANCE COMPANY	ACHMEA SCHADEVERZEKERINGEN	HAGELUNIE	ACHMEA ZORGVERZEKERINGEN (SOLO)	DE FRIESLAND ZORGVERZEKERAAR	FBTO ZORGVERZEKERINGEN	INTERPOLIS ZORGVERZEKERINGEN	ZILVEREN KRUIS ZORGVERZEKERINGEN
Technical provisions – non-life (excluding health)	0	303	3,194	78	0	0	0	0	0
Technical provisions - health (similar to non-life)	0	7	259	0	126	414	306	153	3,171
Technical provisions - health (similar to life)	0	190	1,983	0	0	0	0	0	0
Technical provisions – life (excluding health and Index Linked and Unit Linked)	26,850	-5	0	0	0	0	0	0	0
Technical provisions – Index Linked and Unit Linked	7,343	0	0	0	0	0	0	0	0
Provisions other than technical provisions	0	0	50	3	0	0	0	0	0
Deposits from reinsurers	0	1	0	0	0	0	0	0	0
Deferred tax liabilities	262	2	2	11	0	0	0	0	0
Derivatives	2,994	1	13	1	1	1	0	0	4
Financial liabilities other than debts owed to credit institutions	1	0	2	0	0	0	0	0	107
Insurance & intermediaries payables	681	41	204	0	0	35	24	14	151
Reinsurance payables	8	1	11	0	0	0	0	0	0
Payables (trade, not insurance)	84	5	382	28	4	44	20	15	76
Subordinated liabilities not in Basic Own Funds	0	0	0	0	0	0	0	0	0
Subordinated liabilities in Basic Own Funds	0	0	0	0	0	0	19	0	0
Any other liabilities, not elsewhere shown	1,678	1	191	3	17	5	28	2	113
Total liabilities	**39,899**	**545**	**6,290**	**123**	**149**	**499**	**397**	**183**	**3,622**
Excess of assets over liabilities	**3,042**	**312**	**1,345**	**167**	**3,972**	**362**	**402**	**154**	**2,192**

APPENDIX 5: SOLVENCY CAPITAL REQUIREMENT DUTCH (RE)INSURANCE ENTITIES

SOLVENCY CAPITAL REQUIREMENT

€ MILLION

2024	ACHMEA PENSIOEN LEVENSVERZEKERINGEN	ACHMEA REINSURANCE COMPANY	ACHMEA SCHADEVERZEKERINGEN	HAGELUNIE	ACHMEA ZORGVERZEKERINGEN (SOLO)	DE FRIESLAND ZORGVERZEKERAAR	FBTO ZORGVERZEKERINGEN	INTERPOLIS ZORGVERZEKERINGEN	ZILVEREN KRUIS ZORGVERZEKERINGEN
Market Risk	1,706	103	442	32	837	41	25	14	233
Counterparty Default Risk	56	18	82	14	25	17	33	14	48
Life Underwriting Risk	1,334	43	0	0	0	0	0	0	0
Health Underwriting Risk	0	30	566	0	197	203	209	64	1,248
Non-Life Underwriting Risk	0	175	923	82	0	0	0	0	0
Diversification	-664	-119	-664	-25	-145	-39	-39	-18	-189
Intangible Asset Risk	0	0	0	0	0	0	0	0	0
Basic Solvency Capital Requirement	**2,432**	**250**	**1,350**	**103**	**914**	**222**	**227**	**73**	**1,340**
Operational Risk	121	12	130	4	38	57	68	19	356
Loss-Absorbing Capacity of Expected Profits	-243	-26	-216	-15	0	0	0	0	0
Loss-Absorbing Capacity of Technical Provisions	0	0	0	0	0	0	0	0	0
Loss-Absorbing Capacity of Deferred Taxes	-525	-61	-326	-24	0	0	0	0	0
Other Deductions & Additions	0	0	0	0	0	0	0	0	0
Solvency Capital Requirement	**1,786**	**175**	**938**	**68**	**953**	**279**	**295**	**93**	**1,696**

SOLVENCY CAPITAL REQUIREMENT

€ MILLION

2023	ACHMEA PENSIOEN LEVENSVERZEKERINGEN	ACHMEA REINSURANCE COMPANY	ACHMEA SCHADEVERZEKERINGEN	HAGELUNIE	ACHMEA ZORGVERZEKERINGEN (SOLO)	DE FRIESLAND ZORGVERZEKERAAR	FBTO ZORGVERZEKERINGEN	INTERPOLIS ZORGVERZEKERINGEN	ZILVEREN KRUIS ZORGVERZEKERINGEN
Market Risk	1,124	91	403	29	779	33	18	13	173
Counterparty Default Risk	92	16	77	13	17	11	26	12	48
Life Underwriting Risk	1,334	45	0	0	0	0	0	0	0
Health Underwriting Risk	0	29	508	0	196	186	182	61	1,219
Non-Life Underwriting Risk	0	185	929	80	0	0	0	0	0
Diversification	-572	-117	-618	-23	-138	-30	-30	-16	-153
Intangible Asset Risk	0	0	0	0	0	0	0	0	0
Basic Solvency Capital Requirement	**1,979**	**250**	**1,298**	**99**	**854**	**200**	**196**	**69**	**1,287**
Operational Risk	125	11	123	4	36	50	31	18	337
Loss-Absorbing Capacity of Expected Profits	-213	-35	-172	-10	0	0	0	0	0
Loss-Absorbing Capacity of Technical Provisions	0	0	0	0	0	0	0	0	0
Loss-Absorbing Capacity of Deferred Taxes	-416	-58	-322	-24	0	0	0	0	0
Other Deductions & Additions	0	0	0	0	0	0	0	0	0
Solvency Capital Requirement	**1,475**	**168**	**927**	**69**	**890**	**250**	**227**	**87**	**1,624**

APPENDIX 6: PUBLIC DISCLOSURE QUANTITATIVE REPORTING TEMPLATES

QUANTITATIVE REPORTING TEMPLATES ACHMEA GROUP

QRT	DESCRIPTION
S.02.01	Balance Sheet
S.05.01	Premiums, claims and expenses by line of business
S.22.01	Impact of long term guarantees measures and transitionals
S.23.01	Own Funds
S.25.05	Solvency Capital Requirement - SF and PIM
S.32.01	Undertakings within the scope of the group

QUANTITATIVE REPORTING TEMPLATES SUPERVISED ENTITIES

QRT	DESCRIPTION
S.02.01	Balance Sheet
S.04.05	Activity by country - location of risk
S.05.01	Premiums, claims and expenses by line of business
S.12.01	Life and Health SLT Technical Provisions
S.17.01	Non-Life Technical Provisions
S.19.01	Non-Life Insurance Claims Information
S.22.01	Impact of long term guarantees measures and transitionals
S.23.01	Own Funds
S.25.01	Solvency Capital Requirement – only SF
S.25.05	Solvency Capital Requirement – PIM
S.28.01	Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity

https://www.achmea.nl/investors/publicaties --> Public Disclosure Quantitative Reporting Templates

APPENDIX 7: GLOSSARY

The glossary as presented below is reflecting the most common definitions of terminology used in the context of the Solvency and Financial Condition Report.

A

- 'Administrative, management or supervisory body' shall mean, where a two-tier board system comprising of a management body and a supervisory body is provided for under national law, the management body or the supervisory body or both of those bodies as specified in the relevant national legislation or, where nobody is specified in the relevant national legislation, the management body.
- 'Ancillary services undertaking' means a non-regulated undertaking the principal activity of which consists of owning or managing property, managing data-processing services, health and care services or any other similar activity which is ancillary to the principal activity of one or more insurance or reinsurance undertakings.

B

- 'Basic Risk-free interest rate term structure' means a Risk-free interest rate term structure which is derived in the same way as the relevant Risk-free interest rate term structure to be used to calculate the Best Estimate but without application of a matching adjustment or a Volatility Adjustment.

C

- 'Capital requirement' means the amount of capital an insurance undertaking has to hold in relation to a certain risk.
- 'Catastrophe Risk' means the risk of loss or of adverse change in the value of insurance liabilities, arising from significant uncertainty of pricing and provisioning assumptions related to extreme or exceptional events.
- 'Central clearing party'. Reference is made to the definition included at 'Qualifying central counterparty'.
- 'Collateral arrangements' means arrangements under which collateral providers do one of the following: (a) transfer full ownership of the collateral to the collateral taker for the purposes of securing or otherwise covering the performance of a relevant obligation; (b) provide collateral by way of security in favour of, or to, a collateral taker, and the legal ownership of the collateral remains with the collateral provider or a custodian when the security right is established.
- 'College of Supervisors' is a multilateral groups of relevant supervisors, national competent authorities, that is formed for the collective purpose of enhancing efficient, effective and consistent supervision of financial institutions operating across borders.
- 'Composite insurance entity' means an insurance undertaking which insures both Life and Non-Life risks.
- 'Concentration Risk' means all risk exposures with a loss potential which is large enough to threaten the solvency or the financial position of insurance and reinsurance undertakings.
- 'Control' means the relationship between a parent undertaking and a subsidiary undertaking, as set out in Article 1 of Directive 83/349/EEC
  ((a) has a majority of the shareholders' or members' voting rights in another undertaking (a subsidiary undertaking); or
  (b) has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another undertaking (a subsidiary undertaking) and is at the same time a shareholder in or member of that undertaking; or
  (c) has the right to exercise a dominant influence over an undertaking (a subsidiary undertaking) of which it is a shareholder or member, pursuant to a contract entered into with that undertaking or to a provision in its memorandum or articles of association, where the law governing that subsidiary undertaking permits its being subject to such contracts or provisions; or (d) is a shareholder in or member of an undertaking, and:
  (aa) a majority of the members of the administrative, management or supervisory bodies of that undertaking (a subsidiary undertaking) who have held office during the financial year, during the preceding financial year and up to the time when the consolidated accounts are drawn up, have been appointed solely as a result of the exercise of its voting rights; or
  (bb) controls alone, pursuant to an agreement with other shareholders in or members of that undertaking (a subsidiary undertaking), a majority of shareholders' or members' voting rights in that undertaking.), or a similar relationship between any natural or legal person and an undertaking.
- 'Counterparty Default Risk'. Reference is made to the definition included at 'Credit Risk'.

- ‘Credit institution, a financial institution or an ancillary banking services undertaking’ means a legal entity within the meaning of Article 4(1), (5) and (21) of Directive 2006/48/EC respectively (an undertaking the business of which is to take deposits or other repayable funds from the public and to grant credits for its own account).
- ‘Credit quality step (CQS)’ is a risk weighted credit rating as defined by EIOPA. The CQS is derived from credit ratings issued by ECAIs or, when the counterparty is an insurance undertaking which is not rated by an ECAI, the solvency position of the counterparty.
- ‘Credit Risk’ means the risk of loss or of adverse change in the financial situation, resulting from fluctuations in the credit standing of issuers of securities, counterparties and any debtors to which insurance and reinsurance undertakings are exposed, in the form of Counterparty Default Risk, or Spread Risk, or Market Risk concentrations.
- ‘Currency Risk’ means the risk of loss or of adverse change in the financial situation, arising from changes in currency exchange rates.

D

- ‘Deep market’ means a market where transactions involving a large quantity of financial instruments can take place without significantly affecting the price of the instruments.
- ‘Disability/Morbidity Risk’ means the risk of loss or of adverse change in the value of the insurance liabilities, resulting from changes in the level, trend of volatility of disability and morbidity rates.
- ‘Discontinuance’ of an insurance policy means surrender, lapse without value, making a contract paid-up, automatic non-forfeiture provisions or exercising other discontinuity options or not exercising continuity options.
- ‘Diversification effects’ means the reduction in the risk exposure of insurance and reinsurance undertakings and groups related to the diversification of their business, resulting from the fact that the adverse outcome from one risk can be off set by a more favourable outcome from another risk, where those risks are not fully correlated.

E

- ‘Earned premiums’ means the premiums relating to the risk covered by the insurance or reinsurance undertaking during a specified time period.
- ‘EIOPA’ means the European Insurance and Occupational Pensions Authority.
- ‘Eligible Own Funds’ are those components of the Available Own Funds which can be used to cover the Solvency Capital Requirement.
- ‘EMIR’ means the European Market Infrastructure Regulation, which imposes requirements to improve transparency and reduce the risks associated with the derivatives market.
- ‘Equity Risk’ means the risk of loss or of adverse change in the financial situation, arising from changes in equity prices.
- ‘Events after the reporting period’ are those events, favourable and unfavourable, that occur between the statement of solvency and financial position date and the date when the financial statements are authorised for issue. Two types of events can be identified: (a) those that provide evidence of conditions that existed at the statement of financial and solvency position date (adjusting events after the reporting period); and (b) those that are indicative of conditions that arose after the statement of financial and solvency position date (non-adjusting events after the reporting period).
- ‘Existing insurance or reinsurance contract’ means an insurance or reinsurance contract for which insurance or reinsurance obligations have been recognised.
- ‘Expected profit included in future premiums’ means the expected present value of future cashflows which result from the inclusion in Technical Provisions of premiums relating to existing insurance and reinsurance contracts that are expected to be received in the future, but that may not be received for any reason, other than because the insured event has occurred, regardless of the legal or contractual rights of the policyholder to discontinue the policy.
- ‘Expense Risk’ means the risk of loss or of adverse change in the financial situation, arising from the variation in the expenses incurred in servicing insurance and reinsurance contracts.
- ‘External credit assessment institution (ECAI)’ means a credit rating agency that is registered or certified in accordance with Regulation (EC) No 1060/2009 (Regulation on Credit Rating Agencies) or a central bank issuing credit ratings which are exempt from the application of Regulation (EC) No 1060/2009. The ECAI is included in the list as endorsed as Delegated Act.

F

- ‘Future discretionary bonuses’ and ‘future discretionary benefits’ mean future benefits other than Index Linked or Unit Linked benefits of insurance or reinsurance contracts which have one of the following characteristics: (a) they are legally or contractually based on one or more of the following results: (i) the performance of a specified group of contracts or a specified type of contract or a single contract; (ii) the realised or unrealised investment return on a specified pool of assets held by the insurance or reinsurance undertaking; (iii) the profit or loss of the insurance or reinsurance undertaking or fund corresponding to the contract; (b) they are based on a declaration of the insurance or reinsurance undertaking and the timing or the amount of the benefits is at its full or partial discretion.

G

- ‘Group’ means a group of undertakings that: (i) consists of a participating undertaking, its subsidiaries and the entities in which the participating undertaking or its subsidiaries hold a participation, as well as undertakings linked to each other by a relationship as set out in Article 12(1) of Directive 83/349/EEC ((a) that undertaking and one or more other undertakings with which it is not connected, are managed on a unified basis pursuant to a contract concluded with that undertaking or provisions in the memorandum or articles of association of those undertakings; or (b) the administrative, management or supervisory bodies of that undertaking and of one or more other undertakings with which it is not connected, consist for the major part of the same persons in office during the financial year and until the consolidated accounts are drawn up); or (ii) is based on the establishment, contractually or other wise, of strong and sustainable financial relationships among those undertakings, and that may include mutual or mutual-type associations, provided that: — one of those undertakings effectively exercises, through centralised coordination, a dominant influence over the decisions, including financial decisions, of the other undertakings that are part of the group; and, — the establishment and dissolution of such relation ships for the purposes of this Title are subject to prior approval by the group supervisor, where the undertaking exercising the centralised coordination shall be considered as the parent undertaking, and the other undertakings shall be considered as subsidiaries.
- ‘Group supervisor’ means the supervisory authority responsible for group supervision.

H

- ‘Health insurance obligation’ means an insurance obligation that covers one or both of the following: (i) the provision of medical treatment or care including preventive or curative medical treatment or care due to illness, accident, disability or infirmity, or financial compensation for such treatment or care, (ii) financial compensation arising from illness, accident, disability or infirmity.
- ‘Health reinsurance obligation’ means a reinsurance obligation which arises from accepted reinsurance covering health insurance obligations.
- ‘Home Member State’ means any of the following: (a) for Non-Life insurance, the Member State in which the head office of the insurance undertaking covering the risk is situated; (b) for Life insurance, the Member State in which the head office of the insurance undertaking covering the commitment is situated; or (c) for reinsurance, the Member State in which the head office of the reinsurance undertaking is situated.
- ‘Income protection insurance obligation’ means an insurance obligation that covers the financial compensation arising from illness, accident, disability or infirmity other than the financial compensation for preventive or curative medical treatment or care due to illness, accident, disability or infirmity.
- ‘Income protection reinsurance obligation’ means a reinsurance obligation which arises from accepted reinsurance covering income protection insurance obligations.
- ‘Institutions for occupational retirement provision’ means institutions within the meaning of Article 6(a) of Directive 2003/41/EC of the European Parliament and of the Council (an institution, irrespective of its legal form, operating on a funded basis, established separately from any sponsoring undertaking or trade for the purpose of providing retirement benefits in the context of an occupational activity on the basis of an agreement or a contract agreed:
  - individually or collectively between the employer(s) and the employee(s) or their respective representatives, or
  - with self-employed persons, in compliance with the legislation of the home and host Member States, and
  - which carries out activities directly arising therefrom).

- ‘Insurance holding company’ means a parent undertaking which is not a mixed financial holding company and the main business of which is to acquire and hold participations in subsidiary undertakings, where those subsidiary undertakings are exclusively or mainly insurance or reinsurance undertakings, or third-country insurance or reinsurance undertakings, at least one of such subsidiary undertakings being an insurance or reinsurance undertaking.

- 'Insurance undertaking' means a direct life or Non-Life insurance undertaking which has received authorisation from the supervisory authorities.
- 'Intangible Assets Risk' means the risk of loss or of adverse change in the financial situation, arising from two risks in relation to the intangible assets:
    - Market risks, derived from the decrease of prices in the active markets
    - Internal risks, inherent to the specific nature of these elements.
- 'Interest Rate Risk' means the risk of loss or of adverse change in the financial situation, resulting from fluctuations in interest rates. Interest rate risk exists for all assets and liabilities for which the net asset value is sensitive to changes in the term structure of interest rates or interest rate volatility. This applies to both real and nominal term structures and to on-balance sheet and off-balance sheet items.
- 'Internal Model' means a model developed by an insurance undertaking to calculate its Solvency Capital Requirements (instead of using the Standard Formula). The reason for using an internal model is that there may be some cases where the standardised approach does not adequately reflect the very specific Risk Profile of an undertaking.
- 'Intra-Group transaction' means any transaction by which an insurance or reinsurance undertaking relies, either directly or indirectly, on other undertakings within the same group or on any natural or legal person linked to the undertakings within that group by close links, for the fulfilment of an obligation, whether or not contractual, and whether or not for payment.

L

- 'Lapse Risk' means the risk of loss or of adverse change in the financial situation, due to a change in the expected exercise rates of policyholder options.
- 'Last liquid point' means the last maturity for which markets for bonds are still deep, liquid and transparent.
- 'Liquid market' means a market where financial instruments can readily be converted through an act of buying or selling without causing a significant movement in the price.
- 'Liquidity Risk' means the risk that insurance and reinsurance undertakings are unable to realise investments and other assets in order to settle their financial obligations when they fall due.
- 'Long-term guarantees (LTG) measures' were introduced in the Solvency II Directive to ensure an appropriate treatment of insurance products that include long-term guarantees. The long-term guarantees are the following:
    - The extrapolation of risk-free interest rates
    - The matching adjustment
    - The Volatility Adjustment
    - The extension recovery period in case of non-compliance with the Solvency Capital Requirement
    - The transitional measure on the risk-free interest rates
    - The transitional measure on Technical Provisions
- 'Longevity Risk' means the risk of loss or of adverse change in the financial situation, arising from a decrease in mortality rates.
- 'Loss Absorbing Capacity of Deferred Taxes (LACDT)' means the possibility to have a loss absorbency related to the possibility to recover the capital requirement as part of the deferred taxes.
- 'Loss Absorbing Capacity of Expected Profits (LACEP)' means the expected change in Own Funds which can serve as a first buffer to absorb the capital requirements in cases where an insurance undertaking uses an internal model to determine a capital requirement and measures the capital based on a Profit-at-Risk basis.
- 'Loss Absorbing Capacity of Technical Provisions (LACTP)' means the ability of an insurer to defer payments relating to discretionary participation features embedded within the insurance liabilities.

M

- 'Market Risk' means the risk of loss or of adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments.
- 'Medical expense insurance obligation' means an insurance obligation that covers the provision or financial compensation of medical treatment or care including preventive or curative medical treatment or care due to illness, accident, disability or infirmity.
- 'Medical expense reinsurance obligation' means a reinsurance obligation which arises from accepted reinsurance covering medical expense insurance obligations.

- ‘Minimum Capital Requirement (MCR)’ is a minimum level of security (lower than the Solvency Capital Requirement) below which the amount of insurance undertakings financial resources should not fall, otherwise supervisory authorities may withdraw authorisation.
- ‘Mixed financial holding company’ means a mixed financial holding company as defined in Article 2(15) of Directive 2002/87/EC (a parent undertaking, other than a regulated entity, which together with its subsidiaries, at least one of which is a regulated entity which has its head office in the Community, and other entities, constitutes a financial conglomerate).
- ‘Mortality Risk’ means the risk of loss or of adverse change in the financial situation, arising from an increase in mortality rates.

N

- ‘NSLT Health obligations’ means health insurance obligations that are assigned to the lines of business for Non-Life insurance obligations.

O

- ‘Operational Risk’ means the risk of loss arising from inadequate or failed internal processes, personnel or systems, or from external events.
- ‘Outsourcing’ means an arrangement of any form between an insurance or reinsurance undertaking and a service provider, whether a supervised entity or not, by which that service provider performs a process, a service or an activity, whether directly or by sub-outsourcing, which would otherwise be performed by the insurance or reinsurance undertaking itself.

P

- ‘Parent undertaking’ means a parent undertaking within the meaning of Article 1 of Directive 83/349/EEC (any undertaking governed by its national law to draw up consolidated accounts and a consolidated annual report if that undertaking (a parent undertaking):
  (a) has a majority of the shareholders’ or members’ voting rights in another undertaking (a subsidiary undertaking); or
  (b) has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another undertaking (a subsidiary undertaking) and is at the same time a shareholder in or member of that undertaking; or
  (c) has the right to exercise a dominant influence over an undertaking (a subsidiary undertaking) of which it is a shareholder or member, pursuant to a contract entered into with that undertaking or to a provision in its memorandum or articles of association, where the law governing that subsidiary undertaking permits its being subject to such contracts or provisions. A Member State need not prescribe that a parent undertaking must be a shareholder in or member of its subsidiary undertaking. Those Member States the laws of which do not provide for such contracts or clauses shall not be required to apply this provision; or
  (d) is a shareholder in or member of an undertaking, and:
    (aa) a majority of the members of the administrative, management or supervisory bodies of that undertaking (a subsidiary undertaking) who have held office during the financial year, during the preceding financial year and up to the time when the consolidated accounts are drawn up, have been appointed solely as a result of the exercise of its voting rights; or
    (bb) controls alone, pursuant to an agreement with other shareholders in or members of that undertaking (a subsidiary undertaking), a majority of shareholders’ or members’ voting rights in that undertaking. The Member States may introduce more detailed provisions concerning the form and contents of such agreements).
- ‘Partial Internal Model’ means that the Solvency Capital Requirement is partly based on capital requirements for certain
- Risk or sub-risk types based on an Internal Model and for the remaining risk or sub-risk types on the Standard Formula.
- ‘Participation’ means the ownership, direct or by way of control, of 20 % or more of the voting rights or capital of an undertaking.
- ‘Pooling arrangement’ means an arrangement whereby several insurance or reinsurance undertakings agree to share identified insurance risks in defined proportions. The parties insured by the members of the pooling arrangement are not themselves members of the pooling arrangement.
- ‘Premium and Reserve Risk’ combines a treatment for the two main sources of Underwriting Risk, Premium Risk and Reserve Risk.
  Premium Risk results from fluctuations in the timing, frequency and severity of insured events.
  Reserve Risk results from fluctuations in the timing and amount of claim settlements.

- ‘Property Risk’ means the risk of loss or of adverse change in the financial situation, arising from changes in prices of property.
- ‘Prudent person principle’ means that insurance undertakings shall only invest in assets whose risks they can properly identify, measure, monitor, manage, control and report, and appropriately take into account in the assessment of their overall solvency needs.

Q

- ‘Qualifying central counterparty’ means a central counterparty that has been either authorised in accordance with Article 14 of Regulation (EU) No 648/2012 (authorised Central Clearing Party) or recognised in accordance with Article 25 of that Regulation (recognised Third-Party Central Clearing Party.

R

- ‘Regulated market’ means either of the following:
  (a) in the case of a market situated in a Member State, a regulated market as defined in Article 4(1)(14) of Directive 2004/39/EC (a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments - in the system and in accordance with its non-discretionary rules - in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly); or
  (b) in the case of a market situated in a third country, a financial market which fulfils the following conditions:
    (i) it is recognised by the home Member State of the insurance undertaking and fulfils requirements comparable to those laid down in Directive 2004/39/EC; and
    (ii) the financial instruments dealt in on that market are of a quality comparable to that of the instruments dealt in on the regulated market or markets of the home Member State.
- ‘Regulated undertaking’ means ‘regulated entity’ within the meaning of Article 2(4) of Directive 2002/87/EC of the European Parliament and of the Council (a credit institution, an insurance undertaking or an investment firm).
- ‘Relegation of Tier 3’ implies a situation where the insurance undertaking has recognised a net Deferred Tax Asset which exceeds the Tier 3 limit of 15% of the SCR. An excess above this 15% is deemed not eligible to cover the Solvency Capital Requirement.
- ‘Reinsurance’ means either of the following: (a) the activity consisting in accepting risks ceded by an insurance undertaking or third-country insurance undertaking, or by another reinsurance undertaking or third-country reinsurance undertaking; or (b) in the case of the association of underwriters known as Lloyd’s, the activity consisting in accepting risks, ceded by any member of Lloyd’s, by an insurance or reinsurance undertaking other than the association of under writers known as Lloyd’s.
- ‘Reinsurance undertaking’ means an undertaking which has received authorisation to pursue reinsurance activities.
- ‘Related undertaking’ means either a subsidiary undertaking or other undertaking in which a participation is held, or an undertaking linked with another undertaking by a relationship as set out in Article 22(7) of Directive 2013/34/EU
  ((a) that undertaking and one or more other undertakings are managed on a unified basis in accordance with:
    (i) a contract concluded with that undertaking, or
    (ii) the memorandum or articles of association of those other undertakings; or
  (b) the administrative, management or supervisory bodies of that undertaking and of one or more other undertakings to which it is not related consist in the majority of the same persons in office during the financial year and until the consolidated financial statements are drawn up)
- ‘Reporting currency’, unless otherwise required by the supervisory authority, shall be: (a) for individual disclosure, the currency used for the preparation of the insurance or reinsurance undertaking’s financial statements; (b) for group disclosure, the currency used for the preparation of the consolidated financial statements.
- ‘Required capital’. Reference is made to the definition included at ‘Capital requirement’.
- ‘Risk-free Interest discount rate’. Reference is made to the definition included at ‘Basic risk-free interest rate term structure’.
- ‘Revision Risk’ means the risk of loss or of adverse change in the value of insurance liabilities, arising from fluctuations in the level, trend, or volatility of revision rates applied to annuities, due to changes in the legal environment or in the state of health of the person insured.
- ‘Risk-mitigation techniques’ means all techniques which enable insurance and reinsurance undertakings to transfer part or all of their risks to another party.

S

- ‘Scope of an internal model’ means the risks that the internal model is approved to cover; the scope of an internal model may include both risks which are and which are not reflected in the standard formula for the Solvency Capital Requirement.
- ‘SLT Health obligations’ means health insurance obligations that are assigned to the lines of business for life insurance obligations.
- ‘Solvency Capital Requirement (SCR)’ is a level of financial resources that enables insurance undertakings to absorb significant losses and that gives reasonable assurance to policy holders and beneficiaries that payments will be made as they fall due.
- ‘Standard Formula’ means the standard formula as defined in the Solvency II regulations to determine the Solvency Capital Requirement and is intended to reflect the Risk Profile of most insurance and reinsurance undertakings.
- ‘Subsequent events’. Reference is made to the definition included at ‘Events after the reporting period’.
- ‘Supervisory authority’ means the national authority or the national authorities empowered by law or regulation to supervise insurance or reinsurance undertakings.
- ‘Surrender’ means all possible ways to fully or partly terminate a policy, including the following: (i) voluntary termination of the policy with or without the payment of a surrender value; (ii) change of insurance or reinsurance undertaking by the policy holder; (iii) termination of the policy resulting from the policy holder's refusal to pay the premium.
- ‘Symmetric adjustment’ means an adjustment mechanism to be applied to the standard calculation of the Equity Risk capital requirement. This symmetric adjustment mechanism allows the equity shock to move within a band of 10% on either side of the underlying standard equity stress. In times of rising equity markets the dampener will increase the capital charge, and in times of falling equity indices the dampener will reduce the capital charge.

T

- ‘Tiering’ refers to the categorisation of the Eligible Own Funds into three Tiers which present the quality characteristics of the components of the Eligible Own Funds. Tier 1 is the capital with the highest quality. The three components are subject to sub limits. Tier 1 should exceed 50% of the SCR, while Tier 3 may not exceed 15% of the SCR. Tier 1 is further divided into an unrestricted and restricted part. The restricted part may not exceed 20% of the total amount of Tier 1.
- ‘Transparent market’ means a market where current trade and price information is readily available to the public, in particular to the insurance or reinsurance undertakings.

U

- ‘Ultimate Forward Rate (UFR)’ means a calculated level that the term structure for maturities exceeding the last liquid point grows towards. Insurance undertakings use the term structure for converting long-term liabilities to the economic value.
- ‘Underwriting Risk’ means the risk of loss or of adverse change in the value of insurance liabilities, due to inadequate pricing and provisioning assumptions.

V

- ‘Valuation hierarchy’ means the grouping of assets into levels based on the inputs used in determining the economic value.
- ‘Volatility Adjustment’ is an adjustment to the relevant risk-free interest rate to cover for changes in spread risk not related to changed default probabilities and to reduce the volatility of the whole Economic Balance Sheet. The Volatility Adjustment is determined by EIOPA according to endorsed legislation. The Volatility Adjustment is the same for all insurance undertakings in a specific currency zone based on a reference portfolio. For the euro a so-called country layer can be recognised to reflect local circumstances.

W

- ‘Written premiums’ means the premiums due to an insurance or reinsurance undertaking during a specified time period regardless of whether such premiums relate in whole or in part to insurance or reinsurance cover provided in a different time period.

Group results

Key figures

[i] Operational result is equal to the result before tax adjusted for reorganisation expenses, results from mergers & acquisitions and application of an expected return method for the net financial result from (re)insurance activities. Using this method, we base our calculations on the expected market rates at the start of the year and normalised returns on investments in equity and investment property. The same market rates are also used to determine the discount curve and provision for accrual of our insurance liabilities when calculating the operational result.

[ii] Gross written premiums (or premiums) for Property & Casualty insurance (with the exception of disability insurance contracts) and Health insurance relate to insurance contracts with starting dates during the reporting period and comprise the contractual premiums throughout the entire contract period. The gross written premiums for Health insurance also include the contribution from the Health Insurance Equalisation Fund. The contract period is the period during which Achmea is unable to (entirely) adjust the premiums or the insurance policy conditions for the changed Risk Profile of policyholders. For the other insurance contracts, the amount of gross written premiums is equal to the premiums owed or earned during the contract period.

[iii] Gross operating expenses comprise personnel costs, depreciation costs for property for own use and equipment and general expenses, including IT expenses and marketing expenses.

[iv] The solvency ratios reported here are based on our Partial Internal Model and are after the deduction of (planned) payment of dividends and coupons on hybrid capital.

[v] The number of FTE is based on a working week of 34 hours for the Dutch FTE and 40 hours for the international FTE.

Operating expenses

[vi] The operating expenses that can be allocated to the insurance activities are recognised under Expenses from insurance-related services.