Credit Recommendation

Investment Research

06 October 2026

Initiation of coverage - Achmea

Established in 1811, Achmea is today the largest insurance group in the Netherlands. In its home market, Achmea is market leader in non-life and health insurance with a 25% and 28% market share, respectively. The group also offers income protection insurance, life insurance, pension services, mortgages and banking and asset management activities. It serves approximately 13m customers and derives 92% of its premiums from its home market. The direct distribution channel and tie-up with Rabobank provide Achmea with an extensive distribution network. Achmea is privately owned, its main shareholders being Achmea Association (69%) and Rabobank (29%), both Dutch unlisted cooperative associations.

Key credit considerations

- We view Achmea's business risk as low, with its diversified income streams and leading footprint in the Dutch market. Besides the core insurance operations, the group's asset management unit oversees assets of EUR275bn, supporting fee income. Moreover, Achmea's own investment portfolio is well-diversified with 73% allocated to fixed income, predominantly being of investment grade rating. The level of high-risk assets, such as equity, real estate and alternative investments, seems limited at around 17% and conservative relative to the group equity base. The bulk of the fixed income portfolio (35%) is invested in corporate bonds, and 71% of the portfolio has an investment-grade rating (BBB or higher).
- We consider financial risk to be low overall as the capital structure is strong, underpinned by a solvency ratio of 217%, financial leverage at 19.5%, and fixed charge-coverage at 7.6x (H1 26). In addition, we expect Achmea to stay notably above its stated solvency floor of 165% with fixed charge-coverage above 4x, and below a debt leverage of 30%. With its current stable and strong credit metrics, Achmea appears less sensitive to exceptional market stress (equity or bond market volatility). S&P expects group capitalisation to remain very strong, with its financial strength rating at the 'A' level and the issuer credit rating at BBB+. We expect operating performance and credit ratios to remain broadly unchanged.
- Given the strong credit profile, we favour exposure to structural subordinated notes, meaning we see attractive risk/reward in the subordinated and junior subordinated debt instruments, while we acknowledge that recovery prospects are limited in a hypothetical stress scenario. Given the coupon step-up at the first call date and the generally high reputation risk of a non-listed issuer (more limited to access to new capital) not redeeming a hybrid instrument at the call date, we find it highly likely that Achmea will redeem according to the first call date across its subordinated debt instruments. This also follows the insurer's history of previous capital management.

Credit conclusion

We expect the credit quality of Achmea to remain strong and resilient in the short and medium term. The credit profile is diversified and benefits from various supportive factors. The operations appear robust, and strategically we expect mostly internal optimisation rather than engaging in larger M&A activities according to group 2030 targets. We favour the structural subordinated risk in the strong entity to pick up the additional yield, as we are comfortable with the insurer and its credit trajectory. The Achmea 4.625% perpetual, call 2029 junior subordinated bond in EUR (XS2056490423) is currently priced with a yield-to-call of 5.5% p.a., notably above the 'BB+' corporate hybrid yield curve. This is a pricing level we find attractive from a relative value viewpoint, also across alternative insurance candidates. We initiate coverage on the issuer with an Overweight recommendation on the Achmea 4.625% jr. subordinated bond with first call in 2029. In addition, we recommend Marketweight on the subordinated notes (see 'Selected bonds' table). Lastly, we expect Achmea to redeem its subordinated notes on the first scheduled call date.

Key financials

EURm	2022	2023	2024	2025	H1 2026
Assets	76,833	77,718	82,238	85,290	88,189
Equity	8,597	8,980	9,415	11,887	12,477
Gross premiums	21,088	22,243	24,813	27,526	23,708
Operating profit	519	628	875	938	492
Net income	-808	814	1,303	1,197	688
Fixed charge coverage	5.2x	6.2x	7.6x	8.1x	7.6x
Financial leverage	28.2%	25.9%	26.2%	20.6%	19.5%
Solvency ratio	209%	183%	182%	193%	217%
Return on equity (RoE)	-8.9%	9.3%	14.2%	11.2%	11.3%

Source: Company data, S&P's, Bloomberg, Danske Bank Credit Research

Facts

Sector:	Insurance
Corporate ticker:	ACHMEA
Equity ticker:	N/A
Market cap:	Not listed
Book value:	EUR12.5bn
Total assets:	EUR88.2bn

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Key credit issues

Credit strengths

- Leading Dutch Health and P&C insurer with a strong diversified business position.
- Inherent country risk is low.
- Healthy and resilient capitalisation.
- Low risk investment portfolio.
- The company aims to maintain its existing strong credit stance.

Key risks:

- High concentration in the Netherlands with limited growth opportunities.
- Limited access to new equity capital due to mutual and non-listed status.
- A potential adverse political or regulatory climate could develop.
- Structural risk and low hypothetical recovery in the subordinated notes.

Source: Danske Bank DCM Research

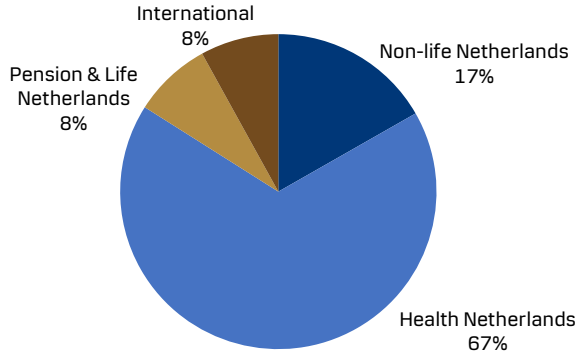
Bond data

ISIN	XS2809859536
Issuer	Achmea B.V.
Coupon	5.625% p.a. to 1st call, 5Y Euribor +3.85% p.a. thereafter
1st Call date	2 May 2034
Call price	100
Maturity	Perpetual
Collateral	Subordinated
Currency	EUR
Min./incr.	100,000/1,000
S&P	BBB- (stable)
Moody's	Not rated
Fitch	BBB (stable)

Source: Bloomberg, Danske Bank DCM Research

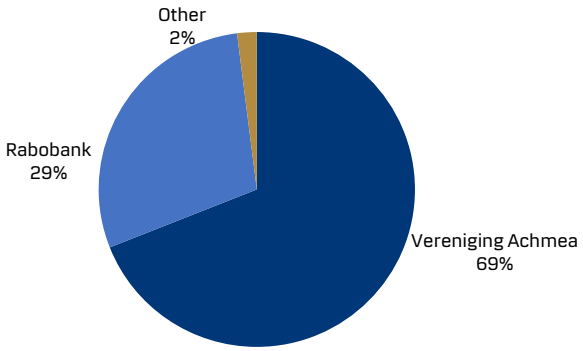
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Gross Written Premium split FY 2025



Source: Company data, Danske Bank Credit Research

Ownership structure FY-2025



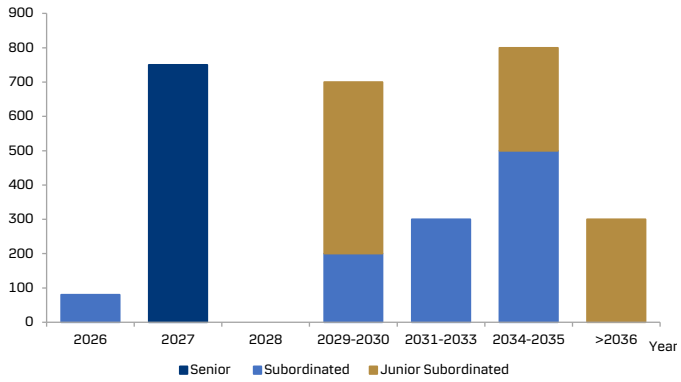
Source: Company data, Danske Bank Credit Research

Key documentation items

Type	Insurance hybrid, Tier 2 capital
Callable	Yes @ par 2 May 2034 onwards. Make Whole @50bp until 2 May 2044.
Reset rate	5Y Euribor +3.85% p.a. thereafter
Coupon deferral	Optional. Mandatory if solvency capital requirement is breached.
Cumulative deferred coupons	Yes. Interest on deferred coupons.
Dividend stopper	No
Payment default	No
Reset rate	5Y EURIBOR +3.85% p.a.
Seniority	Subordinated, senior to RT1 capital.
Issuer special event calls	Regulatory, tax and rating event calls at par.
Expected recovery in non-viability or liquidation event	0%

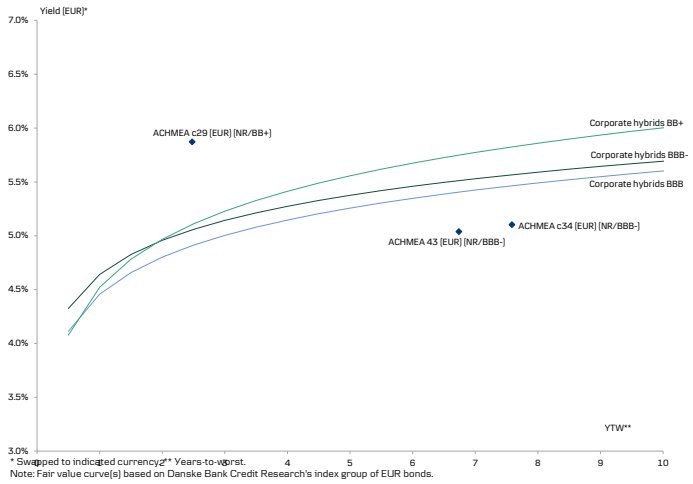
Source: Company data, Danske Bank Credit Research

Debt maturity profile H1 26 (EURm)



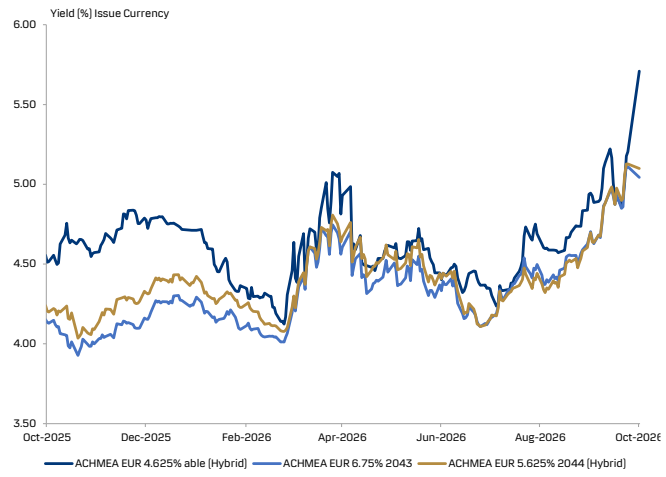
Source: Company data, Danske Bank Credit Research

Relative value (EUR)



Source: Bloomberg, Danske Bank Credit Research

Yield development (yield-to-call)



Source: Bloomberg, Danske Bank Credit Research

Selected bonds

Company	ISIN	Min. Piece	Seniority	Currency	Maturity/Call	CPN	Issue Size (m)	Credit Ratings	Price	Yield*	Recommendation
Achmea BV (Prof.)	XS2056490423	200,000	Jr Subordinated	EUR	Mar 2029	4.625	500	BB+/NR/BBB	98.1	5.5%	Overweight
Achmea BV (Prof.)	XS2637069357	100,000	Subordinated	EUR	Jun 2033	6.750	300	BBB-/NR/BBB	109.4	5.1%	Marketweight
Achmea BV (Prof.)	XS2809859536	100,000	Subordinated	EUR	May 2034	5.625	750	BBB-/NR/BBB	102.9	5.1%	Marketweight

(Prof.) PRIIPS bonds are restricted to retail clients, only available to professional classified clients.
Source: Bloomberg, Danske Bank Credit Research

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We expect to update this investment analysis following the publication of Achmea BV's annual report provided that at such time the bond continues to be among our preferred credits.

This publication should be read in conjunction with the international single name credit bond publications *Corporate Bond News*, *Corporate Bonds: Investment opportunities in single name international fixed income credit* and *Company Profiles*. These publications are typically published once a month.

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Calculations and presentations in this research report are based on standard econometric tools and methodology as well as publicly available statistics for each individual security, issuer and/or country.

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Rating	Anticipated performance	Time horizon	Distribution of recommendations	Investment banking relationships
Overweight	Outperformance relative to peer group	12 months	44%	19%
Marketweight	Performance in line with peer group	12 months	50%	40%
Underweight	Underperformance relative to peer group	12 months	6%	2%
Sell	A decrease in price of more than 10%	12 months	-	-

Changes in recommendation over past 12 months

ISIN 1 XS2056490423

Date	New recommendation	Old recommendation
New	Overweight	-

ISIN XS2637069357

Date	New recommendation	Old recommendation
New	Marketweight	-

ISIN 2809859536

Date	New recommendation	Old recommendation
New	Marketweight	-

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