

Fitch Ratings

Fitch Upgrades Achmea Bank to 'A'; Outlook Negative

Fitch Ratings-London-17 August 2015: Fitch Ratings has upgraded Netherlands-based Achmea Bank N.V.'s Long-term Issuer Default Rating (IDR) to 'A' from 'A-'. At the same time the Outlook on the Long-term IDR has been revised to Negative from Stable. A full list of rating actions is available at the end of this rating action commentary.

The upgrade reflects the change in Fitch's notching criteria for rating insurance groups and their holding companies - in this case Achmea BV (Achmea), the parent of Achmea Bank - on 14 July 2015. The Negative Outlook is driven by Fitch's view that the creditworthiness of Achmea is weakening. Achmea Bank's ratings are driven by support from Achmea.

KEY RATING DRIVERS

IDRS, SENIOR DEBT RATINGS AND SUPPORT RATING

Achmea Bank's IDRs and senior unsecured debt rating are based on Fitch's view of the extremely high probability that it would receive support, in case of need, from its parent Achmea, the holding company of the Dutch insurance group, combined with Fitch's view of Achmea's creditworthiness.

Fitch considers Achmea Bank as a 'core' subsidiary to Achmea given our view that it is an integral part of Achmea, a leading Dutch insurance company operating predominantly in the Netherlands. Achmea Bank consolidates the group's retail banking operations, offering primarily mortgage loans. It is an important cross-selling tool for Achmea and its mortgage products are strategically linked to the selling of the group's insurance products.

RATING SENSITIVITIES

IDRS, SENIOR DEBT RATINGS AND SUPPORT RATING

A further weakening of Achmea's creditworthiness, as assessed by Fitch, could result in a downgrade of Achmea Bank's IDRs, Support Rating and senior unsecured debt ratings. The ratings are also sensitive to any perceived changes in its strategic importance to its parent, or to a significant change in Achmea's regulatory capital position or indications that capital fungibility within the group has changed.

The rating actions are as follows:

Long-term IDR upgraded to 'A' from 'A-'; Outlook revised to Negative from Stable

Short-term IDR upgraded to 'F1' from 'F2'

Support Rating affirmed at '1'

Senior unsecured notes long-term rating upgraded to 'A' from 'A-'

Senior unsecured notes short-term rating upgraded to 'F1' from 'F2'

The 'AAA' rating on the covered bonds issued by Achmea Bank is not affected by these rating actions.

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Additional information is available on www.fitchratings.com.

Applicable Criteria

Global Bank Rating Criteria (pub. 20 Mar 2015)

(https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=863501)

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Dodd-Frank Rating Information Disclosure Form

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