

## ACHMEA BANK N.V. REPORTS AN OPERATING PROFIT OF EUR 81 MILLION

Tilburg, 15 March 2024

- Achmea Bank N.V. reports for 2023 an operating profit before taxes of EUR 81 million (2022: EUR 18 million), EUR 60 million profit after tax (2022: EUR 13 million)
- The Common Equity Tier 1 Capital Ratio is strong at 16.9% (2022: 18.2%)
- The mortgage portfolio increased by EUR 2.0 billion to EUR 14.4 billion (+16%), mainly through mortgage origination of Centraal Beheer (EUR 2.0 billion)
- The growth of the balance sheet and profitability underscores Achmea Bank's growth and diversification strategy as part of Achmea's retirement services strategy

The operating profit before taxes increased by EUR 63 million to EUR 81 million in 2023 compared to 2022. This increase is the result of higher interest margin of EUR 86 million, a lower fair value result of EUR 15 million and higher operating expenses of EUR 10 million.

The interest margin strengthened in 2023, due to both an increase of our mortgage portfolio and higher margins on newly originated and repriced mortgages. The higher interest rates resulted in a shift of the mortgage market to shorter fixed-interest periods ( $\leq 10$ y) of which Achmea Bank benefits. In addition to the growth of our mortgage portfolio, the interest margin improved due to lower funding costs.

The mortgage origination under the brand Centraal Beheer remained stable at EUR 2.0 billion. Combined with the origination of new mortgages of external platforms (EUR 0.4 billion), acquired portfolio's from a.s.r. (EUR 0.8 billion) and prepayments (EUR 1.2 billion), Achmea Bank's mortgage portfolio increased by EUR 2.0 billion to EUR 14.4 billion. In line with its growth and diversification strategy, in 2023 Achmea Bank joined the DMFCO and a.s.r. mortgage platforms to invest EUR 1.5 billion respectively EUR 3.0 billion in mortgages in the next three years.

Furthermore, wealth accumulation for customers through savings and investments is an important pillar of the Bank's strategy; in 2023 Achmea Bank added retail investments as a new proposition to its clients. On the back of higher interest rates the retail savings market became more attractive to customers. Achmea anticipated on this with an attractive pricing strategy, backed by our strong brand (Centraal Beheer), which resulted in a growth of our savings portfolio of EUR 1.4 billion (+19%).

The negative fair value result of EUR 8 million (2022: EUR 7 million positive) is an accounting result related to the derivatives used for hedging the interest rate risk. This accounting result is compensated in other reporting periods, generally reflecting a pull to par as the underlying derivatives approach maturity.

The increase in the operating expenses of EUR 10 million relates predominantly to higher fees of outsourced mortgage services and increased internal allocations related to outsourced services. The efficiency ratio improved significantly from 88% in 2022 to 56% in 2023. The number of defaults remained at a low level in line with the inherent low credit risk profile of our mortgage portfolio, which resulted in a limited addition to the loan loss provision.

The Bank retained its sound liquidity position with liquidity ratios well above internal and external limits. In addition, the Bank has a diversified funding mix, comprising retail funding as well as unsecured and secured wholesale funding with different maturity profiles. In June 2023 the outstanding bonds in the CPTCB programme (EUR 1.5 billion) were transferred to the SBCB programme after noteholders' approval and the CPTCB programme has been terminated. In 2023 the Bank issued two tranches under the SBCB Programme, in January a EUR 0.5 billion 7 years tenor and in October 2023 a EUR 0.5 billion a 3 years tenor. The total outstanding amount of covered bonds was EUR 3.5 billion at year-end 2023 (2022: EUR 2.5 billion).

The Common Equity Tier 1 Capital Ratio is strong at 16.9% (31 December 2022: 18.2%). The decrease is mainly due to the increase of the mortgage portfolio. In April 2023, Achmea Bank paid a dividend of EUR 15 million to its shareholder Achmea B.V., consisting of 2022 net distributable 2022 profit and EUR 2 million of released other reserves. In September, the bank received the Advanced IRB status from DNB which allows the bank to use advanced internal models to determine credit risk, further strengthening the bank's credit risk management and data driven strategy. In the medium term, this step may also result in an improvement in capital ratios.

Achmea bank publish a separate ESG Impact Report 2023 including details on our operational emissions and how we plan to reduce our carbon impact.

S&P confirmed the Issuer Credit Rating Outlook per 26 September 2023 of A-/stable, and Fitch confirmed the issuer Default Rating of A/Stable per 19 July 2023.

Achmea Bank is part of the Achmea's Retirement Services strategy. As part of Achmea's purpose 'Sustainable Living Together', its Retirement Services strategy allows customers to have and generate income for today and tomorrow. Our shared ambition is: making the whole of the Netherlands financially fit and self-reliant.

Tilburg, 15 March 2024

The Managing Board  
P.J. Hurman  
M.J.M. Geubbels

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IN THOUSANDS OF EUROS		
AS AT	31 DECEMBER 2023	31 DECEMBER 2022
<b>Assets</b>		
Cash and balances with Central Banks	598,670	774,244
Loans and advances to banks	637,468	641,572
Derivative assets held for risk management	370,676	537,769
Loans and advances to public sector	583	606
Loans and advances to customers	14,132,458	11,829,986
Interest-bearing securities	30,822	-
Current tax assets	-	4,964
Prepayments and other receivables	155,057	139,884
Deferred tax assets	9,326	4,239
<b>Total Assets</b>	<b>15,935,060</b>	<b>13,933,264</b>
<b>Liabilities</b>		
Deposits from banks	360,938	1,137,916
Derivative liabilities held for risk management	437,194	410,529
Funds entrusted	9,377,098	8,086,409
Current tax liabilities	13,454	-
Accruals and other liabilities	80,197	73,782
Debt securities issued	4,830,360	3,433,534
Subordinated liabilities	1,191	1,191
Provisions	37	22
<b>Total Liabilities</b>	<b>15,100,469</b>	<b>13,143,383</b>
Share Capital	18,152	18,152
Share premium	505,609	505,609
Other reserves	250,726	252,705
Net profit for the period	60,104	13,415
<b>Total Equity</b>	<b>834,591</b>	<b>789,881</b>
<b>Total Equity and Liabilities</b>	<b>15,935,060</b>	<b>13,933,264</b>

## KEY FIGURES

IN MILLIONS OF EUROS	2023	2022	CHANGE
Interest Income	524	217	141%
Interest expense	320	99	223%
<b>Interest margin</b>	<b>204</b>	<b>118</b>	<b>73%</b>
Changes in fair value of financial instruments	-8	7	n.a.
<b>Interest margin and changes in fair value of financial instruments</b>	<b>196</b>	<b>125</b>	<b>57%</b>
Other income	1	1	0%
Fees and commission income and expense	1	1	0%
<b>Operating income</b>	<b>198</b>	<b>127</b>	<b>56%</b>
Impairment of financial assets	2	4	-50%
Operating expenses	115	105	10%
<b>Total expenses</b>	<b>117</b>	<b>109</b>	<b>7%</b>
<b>Operating profit before income taxes</b>	<b>81</b>	<b>18</b>	<b>350%</b>
Income tax expense	21	5	320%
<b>Net profit</b>	<b>60</b>	<b>13</b>	<b>362%</b>
<b>Operating profit before taxes excluding fair value result</b>	<b>89</b>	<b>11</b>	<b>709%</b>
<b>RATIOS</b>	<b>2023</b>	<b>2022</b>	
Return on average equity	7.4%	1.7%	
Efficiency ratio (operating expenses/interest margin, fees and other income)	55.6%	87.8%	
Common Equity Tier 1 Capital Ratio	16.9%	18.2%	
Total Capital Ratio	16.9%	18.2%	
Leverage ratio	4.8%	5.4%	
Net Stable Funding Ratio	129%	130%	
Liquidity Coverage Ratio	164%	211%	

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**About Achmea**

Achmea is the parent company of strong insurance brands such as Centraal Beheer, Interpolis and Zilveren Kruis. Together they form the largest insurance group in the Netherlands. Achmea has a cooperative background and balances the interests of customers, partners, employees and shareholders. Achmea is active in five countries in addition to the Netherlands. There is more information on

[www.achmea.com](http://www.achmea.com)

**About Achmea Bank**

Achmea Bank is part of Achmea and provides mortgages, investment and savings products to the retail market in the Netherlands via the Centraal Beheer and Woonfonds labels. Achmea Bank is licensed to provide financial services under the Financial Supervision Act (Wft).

Achmea Bank has a mortgage portfolio of approximately EUR 14 billion and manages savings of approximately EUR 9 billion. Achmea Bank is located in Tilburg. [www.achmeabank.com](http://www.achmeabank.com)

This statement is published by Achmea Bank N.V. and contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

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