

ACHMEA BANK REPORTS AN OPERATING PROFIT BEFORE TAXES OF EUR 55 MILLION

Tilburg, 16 August 2024

- Achmea Bank N.V. reports an operating profit before taxes of EUR 55 million for the first half-year 2024 (H1 2023: EUR 33 million)
- Achmea Bank's mortgage and savings portfolios each increased with EUR 0.9 billion (+6% respectively +11%) in the first half-year of 2024
- The capital position remains solid with a Common Equity Tier 1 ratio of 18.4% (December 2023: 16.9%)

Due to our continuous strategic focus on growth and diversification of our portfolio as well as economies of scale, Achmea Bank's operational result increased to EUR 55 million in the first half of 2024 (H1 2023: EUR 33 million). This increase was mainly driven by a higher interest result of EUR 17 million next to a higher fair value result of EUR 9 million.

The growth of the mortgage and savings portfolio to EUR 15.2 billion (+6%) and EUR 9.6 billion (+11%), respectively, and increase of the interest margin, partly related to the ECB interest rate development, resulted in a higher interest result of Achmea Bank.

The mortgage portfolio of Achmea Bank continues to grow due to the customers demand for shorter fixed-rate interest periods on their mortgages. In the first half of 2024, Centraal Beheer mortgage production was EUR 0.7 billion (H1 2023: EUR 1.1 billion). Apart from mortgage origination through Centraal Beheer, Achmea Bank acquired EUR 0.9 billion of mortgages through investment mandates with external mortgage platforms.

Centraal Beheer's attractive pricing position for savings resulted in a growth of EUR 0.9 billion of the retail savings portfolio of Achmea Bank in the first half of 2024, of which EUR 0.7 billion relates to deposits with agreed maturities.

The EUR 6 million increase in operating expenses relates predominantly to higher fees of outsourced mortgage services and increased internal allocations. Migrating the Woonfonds brand to Centraal Beheer is a next step in further increasing the efficiency of our mortgage activities. The efficiency ratio improved slightly from 55.6 % in 2023 to 54.9% in 2024.

The positive fair value result of EUR 2 million in the first half-year 2024 (first half-year 2023: EUR 7 million negative) is an accounting result related to derivatives for hedging the interest rate risk. This accounting result is compensated in other reporting periods, generally reflecting a pull to par as the derivatives approach maturity.

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. In 2023, Achmea Bank received the Advanced Internal Rating Based (AIRB) status from De Nederlandsche Bank for the calculation of its credit risks. Achmea Bank is actively working on the remediation plan to improve capital ratios going forward. Achmea Bank's capital position remains solid, with a Common Equity Tier 1 (CET1) ratio of 18.4% as of 30 June 2024 (December 2023: 16.9%). The increase in the CET1 ratio is mainly caused by the addition of the 2023 result to the capital reserves of EUR 60 million. Furthermore, the risk weighted assets decreased due to lower exposure to banks compared to YE2023. On July 30, 2024, Achmea Bank issued a Tier 2 bond loan of EUR 125 million under its EUR 10 billion European Medium Term Note Programme with a first optional redemption date on November 6, 2031. The issuance of the Tier 2 Notes has a positive effect on Achmea Bank's capital position of 2.7 percentage points to a pro forma TCR of 19.6% (based on the FY 2023 CET1 of 16.9%).

Achmea Bank retained its sound liquidity position with liquidity ratios well above internal and external limits. Achmea Bank has a diversified funding mix, comprising retail funding as well as unsecured and secured wholesale funding with different maturity profiles. In the first half of 2024 Achmea Bank issued two tranches of EUR 0.5 billion under the Soft Bullet Covered Bond Programme, with a tenor of 10 and 12 years. The total outstanding amount of covered bonds was EUR 4.5 billion at June 2024 (year end 2023: EUR 3.5 billion). For liquidity purposes Achmea Bank in April 2024 issued two tranches of EUR 0.5 billion under its new Retained SBCB Programme with a tenor of 5 and a tenor of 7 years.

S&P confirmed Achmea Bank's Issuer Credit Rating Outlook per 19 June 2024 of A-/stable, and Fitch confirmed its issuer Default Rating of A/Stable per 23 April 2024.

Achmea Bank is proud to be part of Achmea's Retirement Services strategy, which aims to enhance the financial health and self-reliance of every individual across the Netherlands by allowing customers to generate income for today and tomorrow through our Centraal Beheer financial services platform. This strategy is aligned with Achmea's purpose of "Sustainable Living Together".

Tilburg, 16 August 2024

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

KEY FIGURES

FOR THE PERIOD ENDED 30 JUNE
IN MILLIONS OF EUROS

	2024	2023
Interest Income	336	145
Interest expense	219	45
Interest margin	117	100
Changes in fair value of financial instruments	2	-7
Interest margin and changes in fair value of financial instruments	119	93
Other income	-	-
Fees and commission income and expense	-	-
Operating income	119	93
Impairment of financial instruments and other assets	-	2
Operating expenses	64	58
Total expenses	64	60
Operating profit before taxes	55	33
Income tax expense	14	9
Net profit	41	24
Ratios	30 June	31 December
	2024	2023
Efficiency ratio (operating expenses/interest margin, fees and other income)	54.9%	55.6%
Common Equity Tier 1 Capital Ratio	18.4%	16.9%
Total Capital Ratio	18.4%	16.9%
Leverage ratio	4.8%	4.8%
Net Stable Funding Ratio	133.5%	129%
Liquidity Coverage Ratio	248%	164%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IN THOUSANDS OF EUROS			
		30 JUNE 2024	31 DECEMBER 2023
Assets			
Cash and balances with Central Banks		1,564,188	598,670
Loans and advances to banks		457,642	637,468
Derivative assets held for risk management		387,238	370,676
Loans and advances to public sector		571	583
Loans and advances to customers		14,870,251	14,132,458
Interest-bearing securities		–	30,822
Prepayments and other receivables		165,383	155,057
Deferred tax assets		8,451	9,326
Total assets		17,453,724	15,935,060
Liabilities			
Deposits from banks		122,888	360,938
Derivative liabilities held for risk management		369,437	437,194
Funds entrusted		10,474,293	9,377,098
Current tax liabilities		882	13,454
Accruals and other liabilities		81,893	80,197
Debt securities issued		5,528,955	4,830,360
Subordinated liabilities		–	1,191
Provisions		17	37
Total Liabilities		16,578,365	15,100,469
Share Capital		18,152	18,152
Share premium		505,609	505,609
Other reserves		310,830	250,726
Net profit for the period		40,768	60,104
Total Equity		875,359	834,591
Total Equity and liabilities		17,453,724	15,935,060

The financial statements of Achmea Bank N.V. have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed for use in the European Union. All figures in this document are unaudited.

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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.nl

About Achmea Bank

Achmea Bank is part of Achmea and provides mortgages, savings products and investment services 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 €15 billion and manages savings of approximately €10 billion. Achmea Bank is located in Tilburg. 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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