



Achmea Bank

The bank
that connects

Achmea Bank Investor presentation

Tilburg | November 2024

Executive summary

Achmea Bank highlights

Well established originator

- Achmea Bank plays a strategically important role in the retirement services strategy of Achmea Group. Our mortgage and savings products complement the wider range of insurance products provided by Achmea Group. Achmea Bank is the competence and service center for retail savings products within Achmea Group
- Well established originator of mortgages with 50 years of experience
- Three labels: Centraal Beheer, Woonfonds and Acier (closed book)

Low Risk

- High quality mortgage portfolio with low arrears and write-offs
- Strong capital and liquidity position
- Diversified funding base, which comprises a mix of retail savings and wholesale funding

Strong ratings profile

- Fitch: A/F1 (stable outlook) reaffirmed April 2024
- S&P: A-/A-2 (stable outlook) reaffirmed June 2024

KEY FIGURES (IN EUR MILLION)

Achmea Bank NV	HY 2024	FY 2023	Delta	Δ %
Total assets	17,454	15,935	+1,519	+9.5%
Mortgages (nominal)	15,238	14,378	+860	+6.0%
Savings	10,055	9,178	+877	+9.6%
Capital base	835	774	+61	+7.9%
Risk Weighted Assets	4,537	4,585	-48	-1.0%
Profit before income taxes	55	81		
LCR (Liquidity Coverage Ratio)	248%	164%	+84%	+51.2%
Leverage Ratio	4.8%	4.8%	0%	0%
NIM (Net Interest Margin)	1.59%	1.54%	0%	0%
Common Equity Tier 1 Ratio	18.4%	16.9%	+1.5%	+8.9%
Total Capital Ratio	18.4%	16.9%	+1.5%	+8.9%

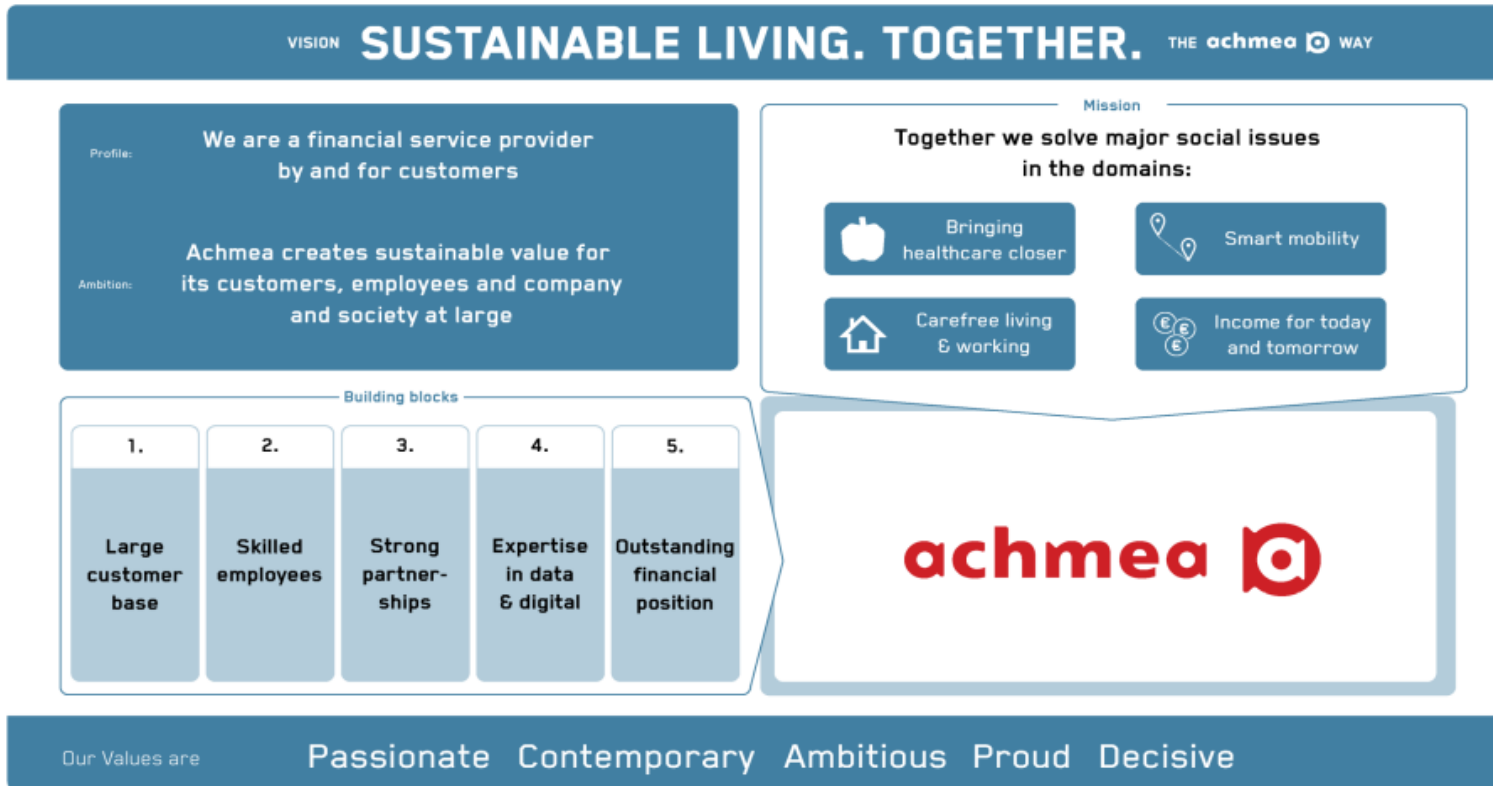
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1. Achmea Bank & role within Achmea

With Retirement Services at the heart of Achmea's purpose



The vision of Achmea is Sustainable Living. Together.

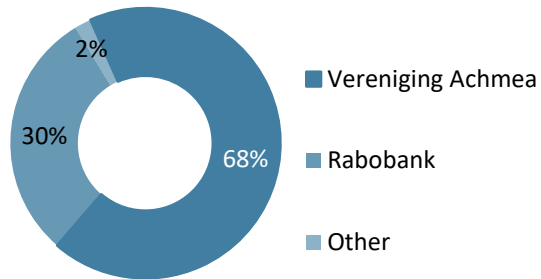
- Achmea Bank is part of the Retirement Services strategy focussed on the missions:
 - Income for today and tomorrow
 - Carefree living and working
- From the Achmea brand we fulfil our role as financial services provider. For our customers we strive for:
 - Meaningful investments for our clients
 - Financial and social returns
- Achmea Bank makes a significant contribution to the Retirement Services growth strategy
- Together with Centraal Beheer and in- and external partners, we offer financial solutions for retirement and the purchase of a house. We offer customers simple and transparent mortgage and savings products and retail investment services

1. Achmea

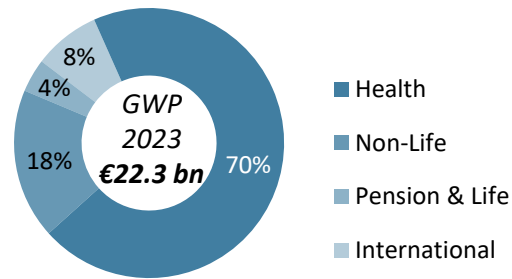
Dutch market leader with a mutual identity with strong brands, diversified distribution and strong market positions

Mutual identity

Majority owned by our customers through the Vereniging Achmea ("Achmea association")



Diversified written premium base



Main characteristics

- Strong and solid insurance group with a mutual identity, founded in 1811
- Clear market leader in Dutch Non-Life and Health insurance, well positioned in Dutch fiduciary asset management
- Interpolis, Centraal Beheer and Zilveren Kruis are among the most recognised insurance brands in the Dutch market with high Net Promotor Scores (NPS)
- Well diversified distribution mix through the intermediary, direct and banking channels; well positioned for market developments
- Recognised as market leader in innovation and digitisation
- Positioned for growth through:
 - Unique distribution mix
 - Know-how in Dutch retirement market, with asset management, mortgages and pension administration services
 - Selected international markets

Strong and recognised brands

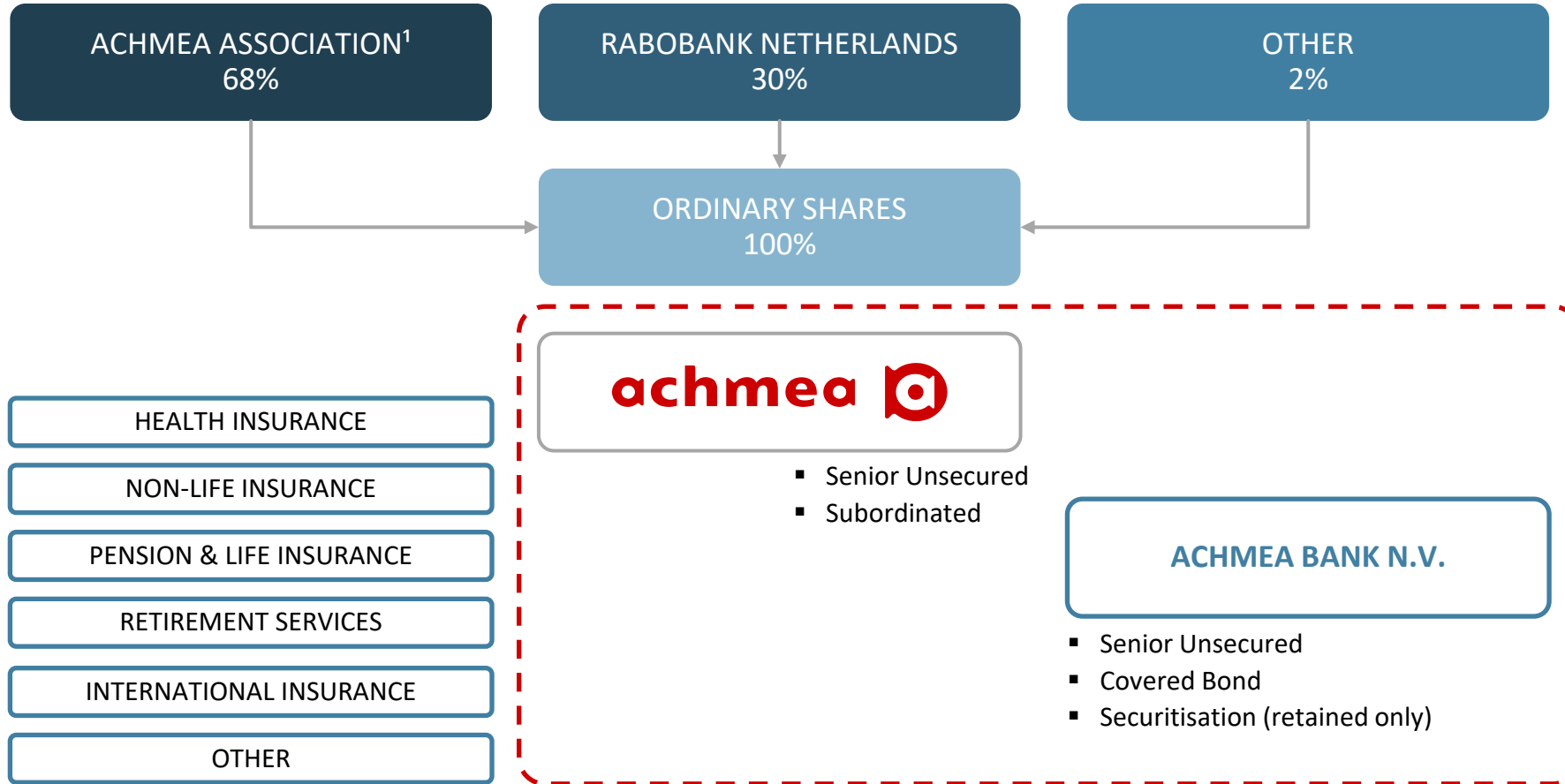


Strong market positions

#1 Non-Life NL
#1 Health NL
#5 Life NL
#4 Asset Management NL

1. Achmea

Ownership Structure - Stability through two major cooperative shareholders

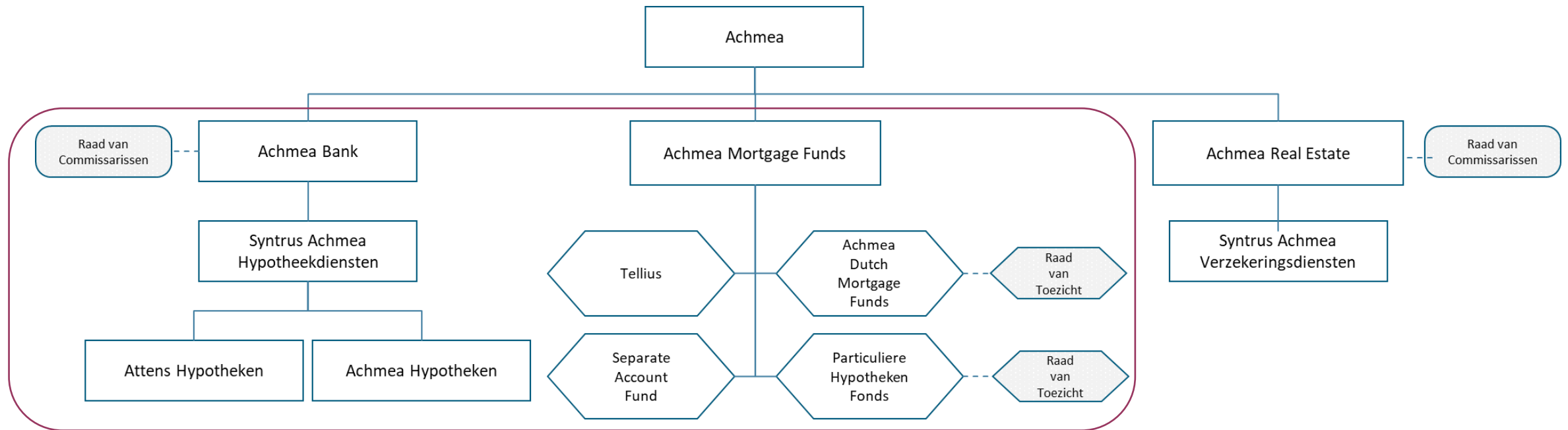


¹ Vereniging Achmea owns 8.7% directly and 59.3% indirectly through Stichting Administratie-Kantoor Achmea

1. Achmea Bank

Repositioning mortgage activities of SAREF within Achmea Bank

- SAREF's mortgage activities have been unbundled and repositioned:
 - the (originating) mortgage activities are positioned at Achmea Bank;
 - the core activities for the AIFM license are placed in Achmea Mortgage Funds.
- Active cooperation takes place between Achmea Bank (and its (sub)subsidiaries) and Achmea Mortgage Funds



1. Achmea Bank & forming new cluster Mortgages & Financial Services

Improving execution power, commercial effectiveness and synergy & cooperation

Execution power

More execution power through:

- More efficient management model through one management on the new cluster
- From 3 chain partners to 2 cluster partners
- Simplification in governance (including PBC, pricing, Supervisory Board, etc.)
- 1 way of working based on Agile principles with multidisciplinary compositions there are i) short lines for coordination, ii) decision-making can take place faster and iii) execution can be initiated earlier.
- By smartly bundling competencies in the areas of R&C, IT and data, we ensure a fast time-to-market and clear customer journeys for the customer

Commercial effectiveness

More commercial power through:

- Joining forces in the field of Marketing & Sales leads to an integrated qualitative approach.
- Collaboration with Achmea Investment Management in the field of investors:
 - Make better use of cross-sell opportunities, making use of each other's customers and sales track record;
 - Savings potential in CRM system;
 - Make use of AIM's track record and professionalism in the field of marketing
- Intermediary service for all brands (CB, Woonfonds, Syntrus Achmea, Attens) from 1 organization (Central Management):
 - Make better use of cross-sell opportunities across all financial services;
 - Integrated intermediary service on all products and services;
 - Better application of data & analytics for marketing to intermediaries;
 - Make use of CB's track record and professionalism in the field of marketing.

Synergy and cooperation

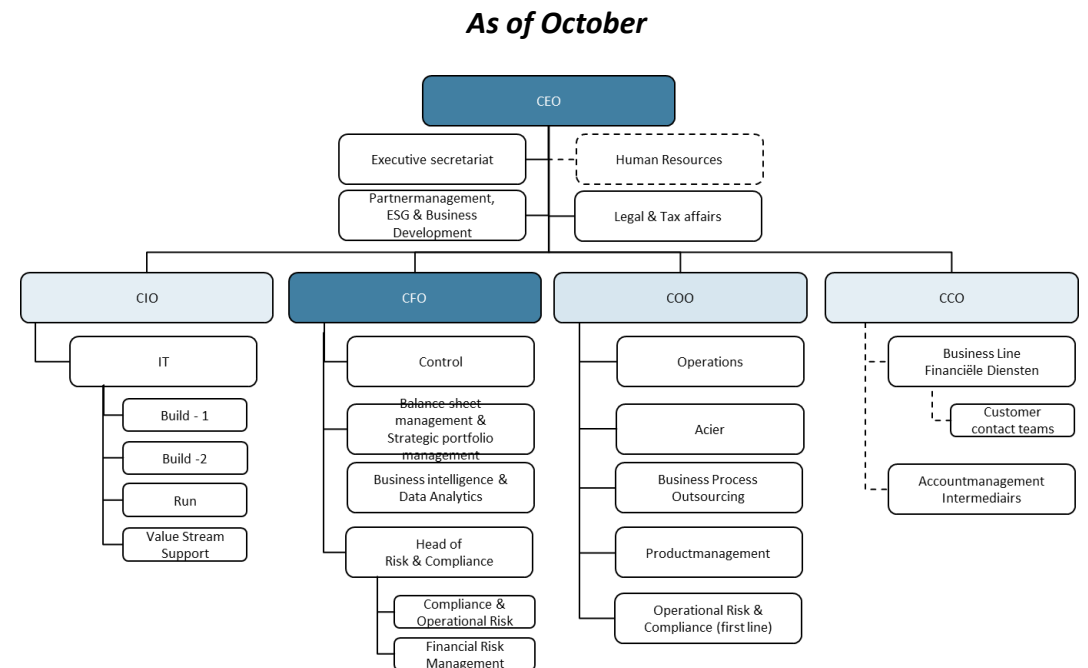
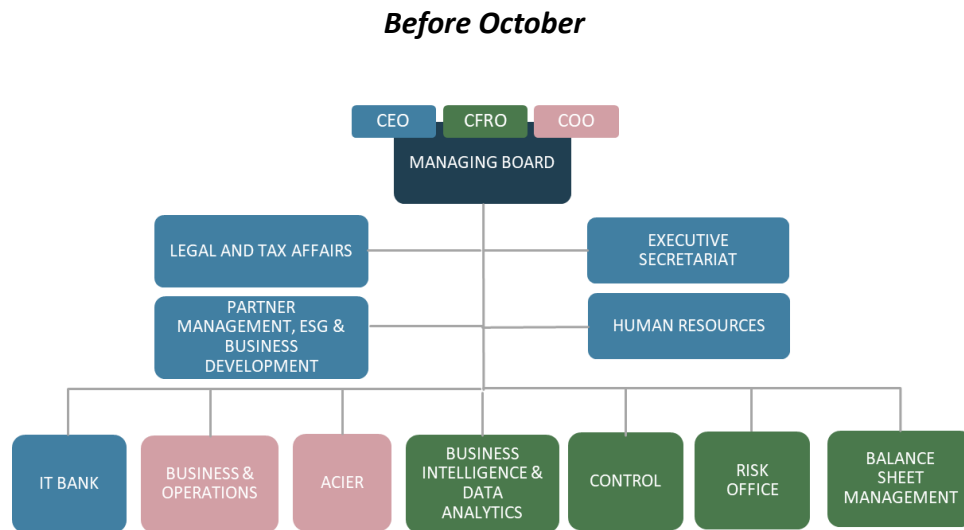
More synergy and collaboration through:

- One cluster management, in which Achmea Bank, Syntrus Achmea Hypotheken and Centraal Beheer are represented: integrated management with short lines.
- Operational, tactical and strategic consultations between all partners are replaced by integrated chain consultations.
- Further deduplication of activities is taking place within various components, resulting in cost reductions (on a small scale).
- Positioning of intermediary services (account management) at CB ensures shared return targets, meaning that all parties in the cluster bear joint responsibility for volume and returns.

1. Achmea Bank

Organizational chart Cluster Mortgages & Financial Services as of October 1, 2024

- Achmea Bank retains a statutory board consisting of two persons. According to the Articles of Association, the Managing Board of Achmea Bank reports to the Supervisory Board of Achmea Bank N.V.
- Achmea Bank strengthens its board by expanding its management with 3 non-statutory directors leading to a balanced distribution of responsibilities and a focus on areas of interest.
- Achmea Bank's CEO is statutorily responsible for the portfolios of the three non-statutory directors.



1. Achmea Bank

Sound strategy in current market circumstances

Achmea Bank's strategy is aimed at a profitable asset growth, a further development into a professional network bank and the strengthening of Centraal Beheer as a broad financial services provider in insurance, savings, investments, mortgages and other financial services.

Strategic priorities Achmea Bank

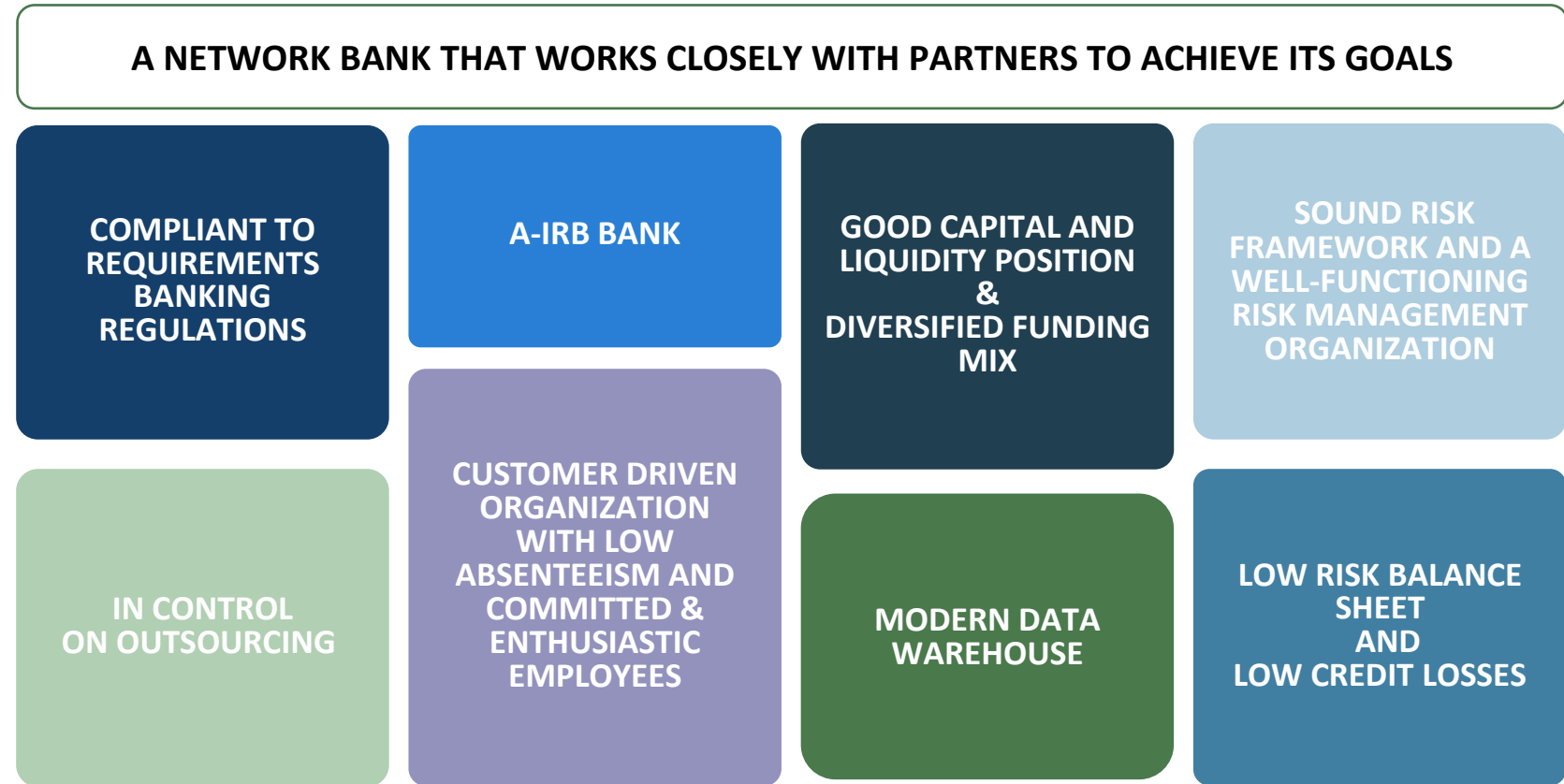
- Strong and valuable growth of the mortgage and savings portfolio, and profitability
- Growth in the number customers of Centraal Beheer
- Realization of relevant financial solutions for sustainable living (ESG in the head and heart)
- Integrating ESG into strategy, governance and risk metrics
- These efforts further support our mission to realise relevant financial solutions for sustainable living
- Lower capital charge and increase ROE by implementing Advanced IRB model. AIRB status was granted by DNB in September 2023
- Continuous investment in digitalisation and data(management) capabilities
- Optimizing costs within our organization
- Risk management and internal control in order



1. Achmea Bank

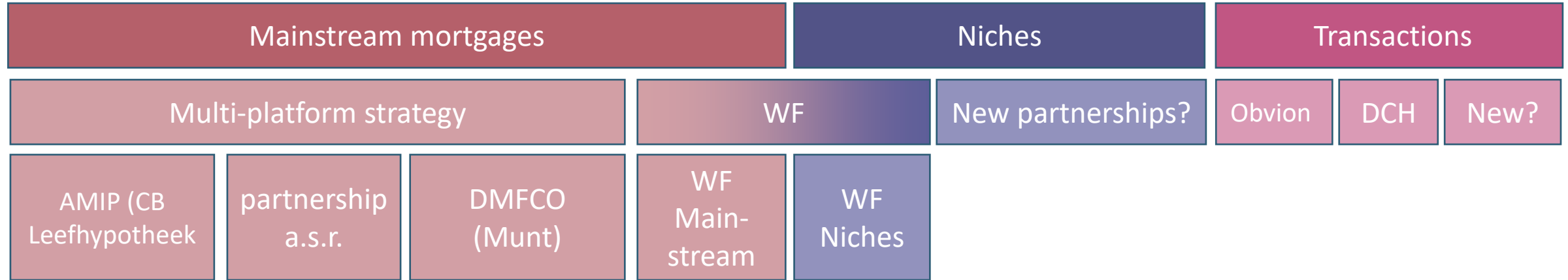
Growing the balance sheet - Data driven and with our partners

- Achmea Bank is a data driven network Bank
- Our strategy focuses on growing our balance sheet
 - We aim to achieve this either independently or, when more effective, in collaboration with partners
 - We prioritize data quality through a modern data warehouse
 - Our emphasis is on business intelligence, data, and risk management to support manageable growth while maintaining control
- The goals of A-IRB Bank align perfectly with our strategy, as the high standards required for data, processes, systems, and governance:
 - Are consistent with our ambition to be a data-driven bank
 - Assist us in evaluating and enhancing both our partners and our internal capabilities



1. Achmea Bank

Network Bank in practice



Mainstream mortgages

- The primary focus of our mainstream strategy is CB Leefhypotheek/AMIP (Achmea Mortgages Investment platform)
 - AMIP is the mortgage platform of Achmea Hypotheken. For internal (Achmea Bank, Achmea Pension and Life) and external investors
- Partnership a.s.r.
 - Multiple balance sheet transactions
 - New agreement for the next three years to acquire up to EUR 1 billion annually of newly originated mortgages (forward flow)
- In 2023 a new partnership with DMFCO was closed with the intention to invest in EUR 1.5 billion in Munt Hypotheken for the next three years

Niches

- With niches we focus on smaller customer groups; among which self employed and buy to let, with better risk /return characteristics
- Through the Woonfonds brand
- Through partnerships if implementation can take place more effectively and faster

Transactions

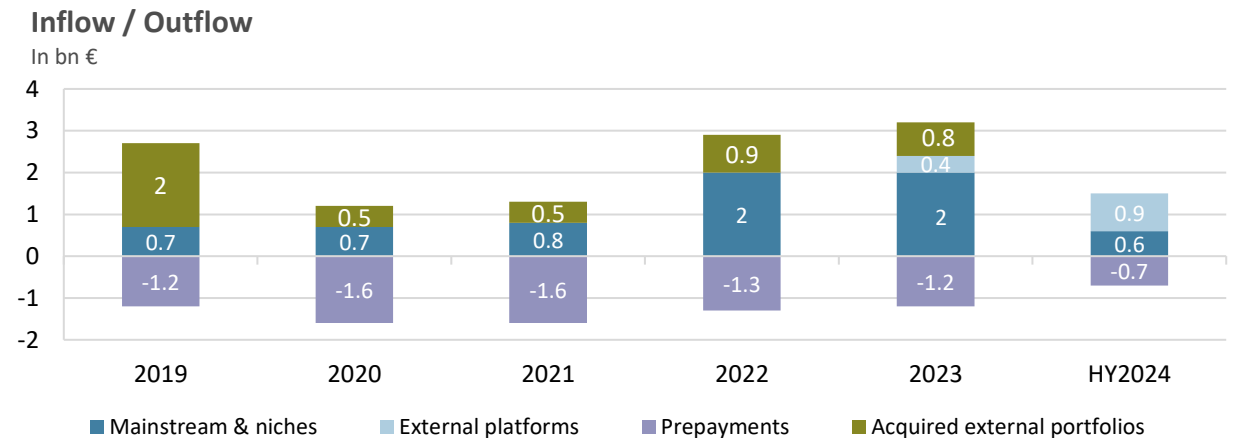
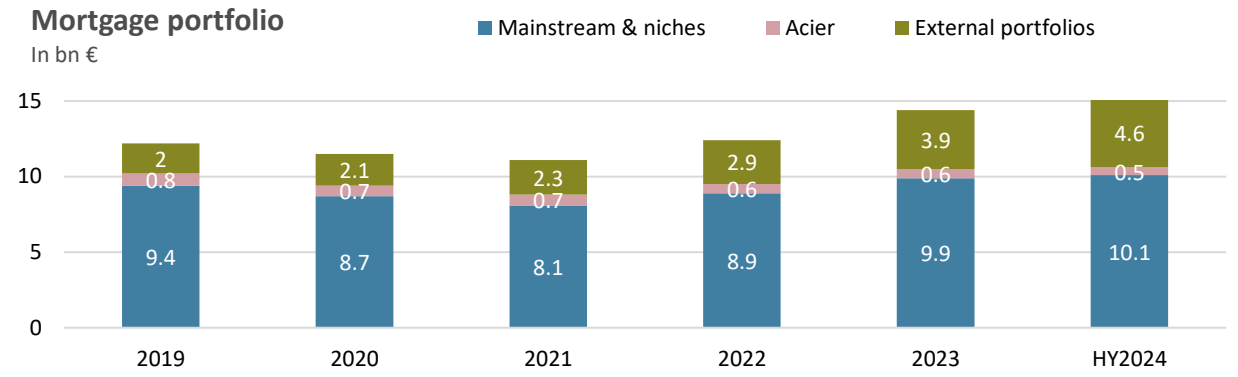
- Up to now mainstream mortgages
- New transactions are possible, if in line with our strategy and return on equity ambition

In 2024, it is planned to transfer all Woonfonds mortgages to Centraal Beheer

1. Achmea Bank

Development of the mortgage portfolio

- 2019; purchase of a.s.r. EUR 1.4 billion and Obvion EUR 0.6 billion
- 2020; DCH EUR 0.5 billion
- 2021; a.s.r. EUR 0.5 billion
- 2022; a.s.r. EUR 0.9 billion over three deals
- 2023; a.s.r. EUR 0.8 billion over two deals
- As of June 2023 Achmea Bank has joined DMFCO's platform and aims to invest EUR 1.5 billion in mortgages provided through the label MUNT Hypotheken during the next three years
- In October 2023 Achmea Bank and a.s.r. announced to continue their cooperation in the mortgage field for three years. Each month during this period, Achmea Bank will acquire newly originated mortgages with a short-term fixed-interest period from a.s.r., up to an amount of EUR 1 billion annually
- The inflow of new mortgages for Achmea Bank (including the Achmea Mortgages Investment Platform and a.s.r. forward flow) is EUR 1.5 billion for the first half of 2024. Combined with the prepayments of EUR 0.7 billion, the mortgage portfolio of Achmea Bank grew with EUR 0.8 billion to EUR 15.2 billion
- In September 2024 Achmea Bank purchased two mortgage portfolios from AP&L (Centraal Beheer mortgages) and a.s.r., EUR 0.8 billion in total



1. Achmea Bank

Sound risk management framework

- Achmea Bank has its own Finance & Risk Committee and participates in the Achmea Group Finance & Risk Committee
- Achmea Bank has an Asset and Liability Committee which focuses on balance sheet and financial risk management to mitigate liquidity risk, solvency risk, professional counterparty risk, interest rate risk, credit spread risk in the banking book and FX risk
- Financial risks are proactively managed through hedging, resulting in limited exposure to interest rate risk and a negligible net exposure to liquidity and currency risk.
- Achmea Bank has a Credit Committee which focuses on monitoring and mitigating credit risk for retail customers
- Service Level Agreements and Service Level Management are in place to manage the relations with external partners (Quion and Stater) and other Achmea entities (IT services, Centraal Beheer, Treasury, Corporate Finance, and Syntrus Achmea)

Three Lines Model:

Achmea Bank's risk management relies on:

- *First line*: risk takers (Managing Board Achmea Bank, management, process owners)
- *Second line*: risk controllers (operational and financial risk management and compliance)
- *Third line*: independent assurance (internal audit)
- Quarterly monitoring of key risks and key controls by means of a comprehensive Control Framework



1. Achmea Bank

Risk appetite

Market risk / Interest rate risk

- (Net) market risk is related to interest rate risk in the banking book only; no trading activities
- Interest rate risk is actively managed by ALCo from both regulatory and economic perspectives.

Credit risk (retail portfolio)

- Strict underwriting criteria, strong and experienced special asset management departments, good recovery ratio and low arrears and defaults

Sound balance sheet

- Maximum asset encumbrance ratio: 35% (HY 2024: 30.8%)

Funding mix

- Retail funding has a strategic nature
- Refinancing risk: Capital market funding refinancing volume of max. EUR 1.5 billion p.a.

Liquidity risk

- Liquidity buffer (e.g. cash and highly liquid securities) for managing unexpected, material retail and wholesale cash outflows
Survival period, based upon the most severe internal liquidity stress test, of at least 3 months

Solvency risk

- Capital buffer for managing unexpected losses on amongst others credit risk, operational risk and interest rate risk in the banking book: > 18.4 %
- Capital structure optimization by means of Tier2 capital



1. Achmea Bank

Achmea Bank's solvency and liquidity is strong

- 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
- 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
- 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
- Achmea Bank pays out a dividend of EUR 30.9 million to its shareholder Achmea B.V. resulting in a decrease in equity for Achmea Bank
- Including the previous increase due to the Tier 2 issue, after the payment, the pro-forma Total Capital Ratio (TCR), based on 30 June 2024 figures, will increase to 20.4% (previously 18.4%)

AVAILABLE CAPITAL	HY 2024	FY 2023
Share capital	18	18
Share premium reserve	506	506
Reserves	311	251
Deductions	0	-1
Total own funds	835	774
Risk Weighted Assets	4,537	4,585

BASEL III RATIOS (FULLY LOADED)		
Leverage Ratio	4.8%	4.8%
Common Equity Tier 1 Ratio	18.4%	16.9%
Total Capital Ratio	18.4%	16.9%
LCR	248%	164%
NSFR	133.5%	129%

1. Achmea Bank

Income statement

- 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)
- 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 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

KEY FIGURES (IN EUR MILLION)

Achmea Bank NV	HY 2024	HY 2023
Interest income	336	145
Interest expenses	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 expenses	-	-
Operating income	119	93
Impairment on financial instruments and other assets	0	2
Operating expenses	64	58
Operating profit before taxes	55	33
Income tax expenses	14	9
Net profit	41	24

1. Achmea Bank

Balance sheet

(IN EUR MILLION)

Assets	HY 2024	FY 2023
Cash and cash equivalents	1,564	599
Derivative assets held for risk management	387	371
Loans and advances to banks	458	637
Loans and advances to public sector	1	1
Loans and advances to customers	14,870	14,132
Interest-bearing securities	0	31
Deferred tax assets	9	9
Prepayments and other receivables	165	155
Total	17,454	15,935

(IN EUR MILLION)

Equity and Liabilities	HY 2024	FY 2023
Total Equity	875	835
Derivative liabilities held for risk management	370	437
Deposits from banks	123	361
Funds entrusted	10,474	9,377
Debt securities issued	5,529	4,831
Current tax liabilities	1	13
Accruals and other liabilities	82	80
Subordinated liabilities	0	1
Total	17,454	15,935

1. Achmea Bank

Achmea Bank mortgage portfolio at HY 2024

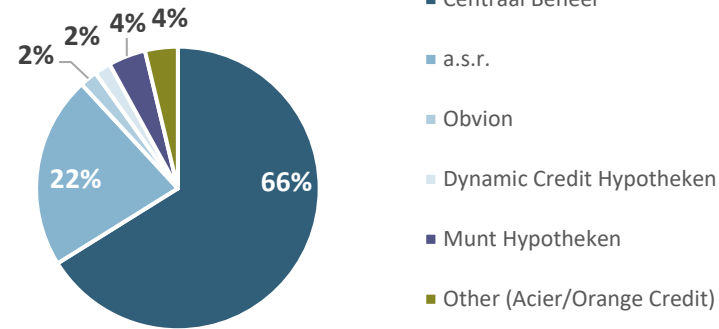
Long-standing portfolio

- Achmea Bank has 50 years of experience in mortgages with Woonfonds and Centraal Beheer
- Multiple acquired portfolios from Acier, a.s.r., Obvion and Dynamic Credit Hypotheken
- Acier, Obvion and Dynamic Credit are closed books
- Centraal Beheer (via AMIP), Woonfonds (focus on niches), a.s.r. and Munt (via DMFCO) are open books
- EUR 15.2 billion nominal value regular mortgage portfolio at HY 2024 (FY 2023: EUR 14.4 billion)
- Strong payment performance

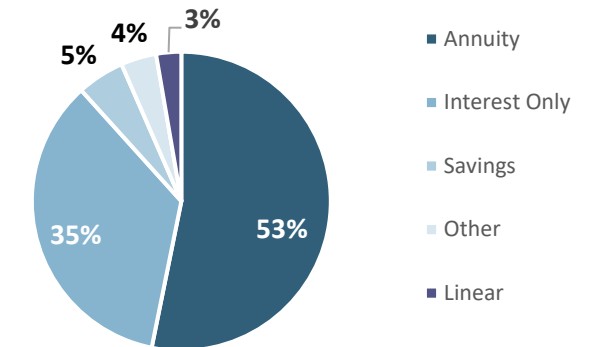
Regulatory developments

- Because of the limitations on Interest only loans, the percentage of Annuity loans has increased over the years
- A large majority of the loans have a fixed rate character which is in line with peers in the Dutch mortgage market

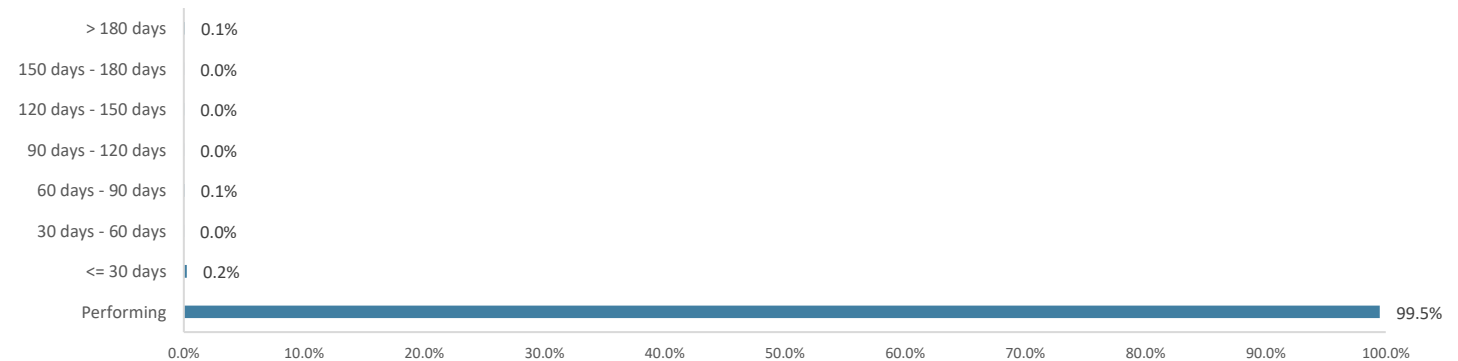
Mortgage size by label
(in %)



Mortgage Type
(in %)



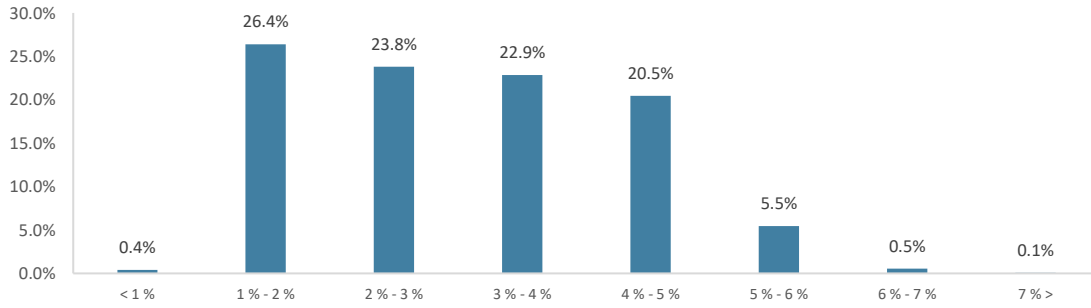
Performance
(in %)



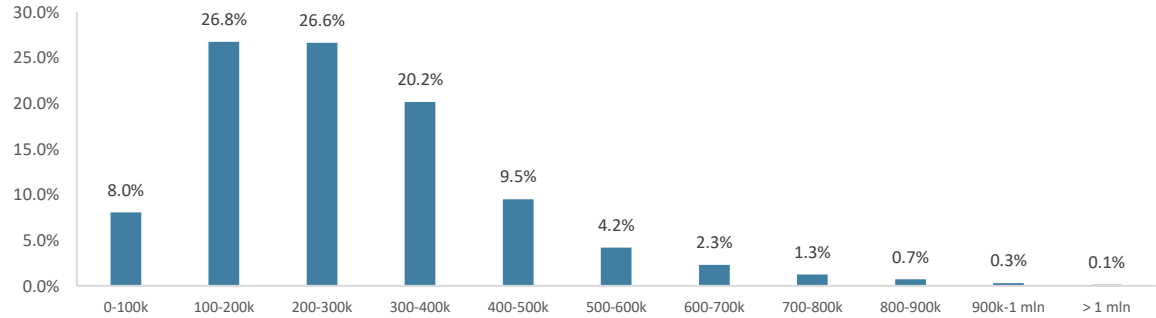
1. Achmea Bank

Achmea Bank mortgage portfolio highlights

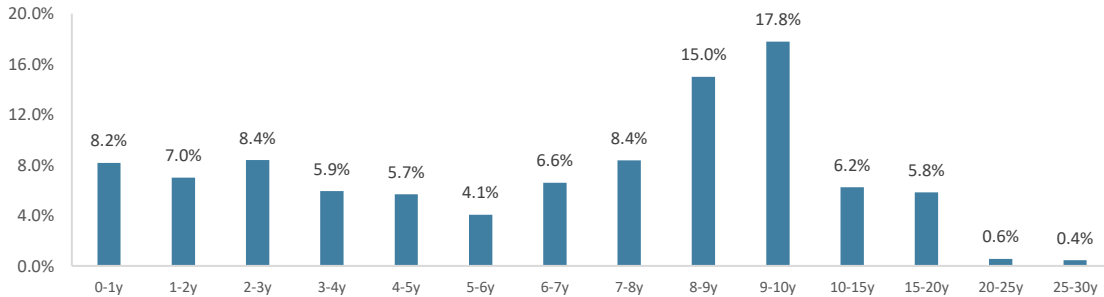
Interest Rate Buckets
(in %)



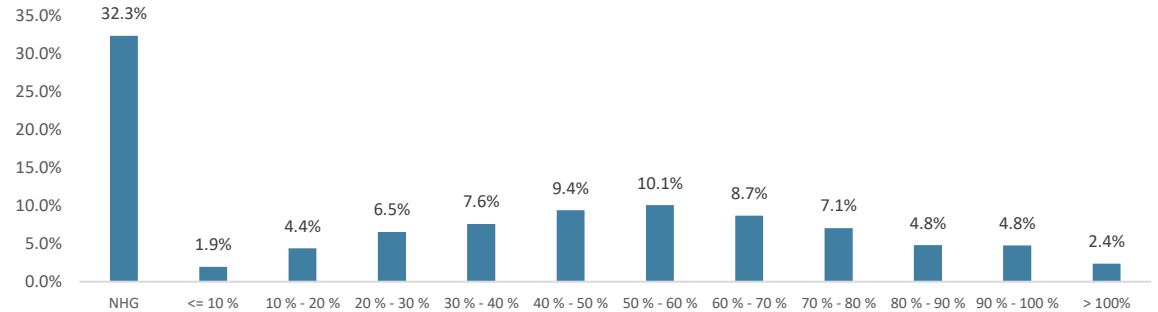
Current Loan Balance
(in %)



Interest Reset Date
(in %)



Current Loan-to-Indexed Market Value
(in %)



1. Achmea Bank

Funding programmes / instruments

Savings

- The total savings portfolio consists of available on demand accounts of EUR 5.3 billion (2023: EUR 5.4 billion), deposits with agreed maturity of EUR 1.7 billion (2023: EUR 1.1 billion), saving deposits linked to mortgages of EUR 0.5 billion (2023: EUR 0.6 billion) and pension savings of EUR 2.4 billion (2023: EUR 2.2 billion)

Covered Bond Programmes

- In the first half of 2024 Achmea Bank issued two tranches of EUR 500 million under the Soft Bullet Covered Bond Programme, with a tenor of 10 and 12 years. In October Achmea bank issued a 3-year tranche of EUR 650 million. The current total outstanding amount of covered bonds is EUR 5.2 billion (2023: EUR 3.5 billion).
- In April 2024, for liquidity purposes Achmea Bank issued two tranches of EUR 0.5 billion under its new Retained Soft Bullet Covered Bond (II) Programme with a tenor of 5 and a tenor of 7 years

Senior unsecured

- The total outstanding amount under the Unsecured EMTN programme is EUR 0.6 billion (FY 2023: EUR 0.7 billion)

Commercial Paper

- The total outstanding amount under the French commercial paper programme is EUR 0.6 billion (FY 2023: EUR 0.8 billion)

Deposits from banks





- The deposits from banks consists of cash collateral received on derivative exposures EUR 110 million (December 2023: EUR 25 million), bank deposits EUR 9 mln, and cash collateral SPV EUR 4 mln (December 2023: EUR 5 million) The December 2023 figures includes money market loans (EUR 30 million) and ECB main refinancing operations (EUR 300 million).

Securitisation

- Achmea Bank had two retained securitisation notes outstanding for an amount of EUR 1.0 billion (FY 2023: EUR 1.1 billion), both were called in September and October 2024

1. Achmea Bank

Funding & Liquidity: key ambitions

	METRIC	HY 2024	AMBITION
 CAPITAL	▪ CET 1 ratio	▪ 18.4%	▪ > 13.1%
	▪ Total capital ratio	▪ 18.4%	▪ > 16.1%
	▪ Leverage ratio	▪ 4.8%	▪ > 3.1%
 LIQUIDITY	▪ Survival period	▪ >12 months	▪ > 7 months
	▪ Liquidity coverage ratio	▪ 248%	▪ > 100%
	▪ LCR surplus	▪ EUR 1,226m	▪ > EUR 70m
	▪ Net stable funding ratio	▪ 134%	▪ > 110%
 FUNDING PROFILE	▪ Share retail funding / total funding	▪ 58%	▪ > 35%
	▪ Asset encumbrance ratio	▪ 30.8%	▪ < 35%
 PROFITABILITY	▪ Return on equity (RoE) ¹	▪ 9.8%	▪ 7-9%
	▪ Cost/Income ratio (CIR)	▪ 54.9%	▪ 55-65%
	▪ Interest margin	▪ 1.59%	▪ > 1%

¹ Annualized RoE; based on the monthly results of last 12 months

1. Achmea Bank

Funding mix and maturity profile

Maturity profile

- Smoothened future wholesale refinancing peaks
- A well-balanced funding mix of 58% (HY 2024)

Funding & liquidity strategy

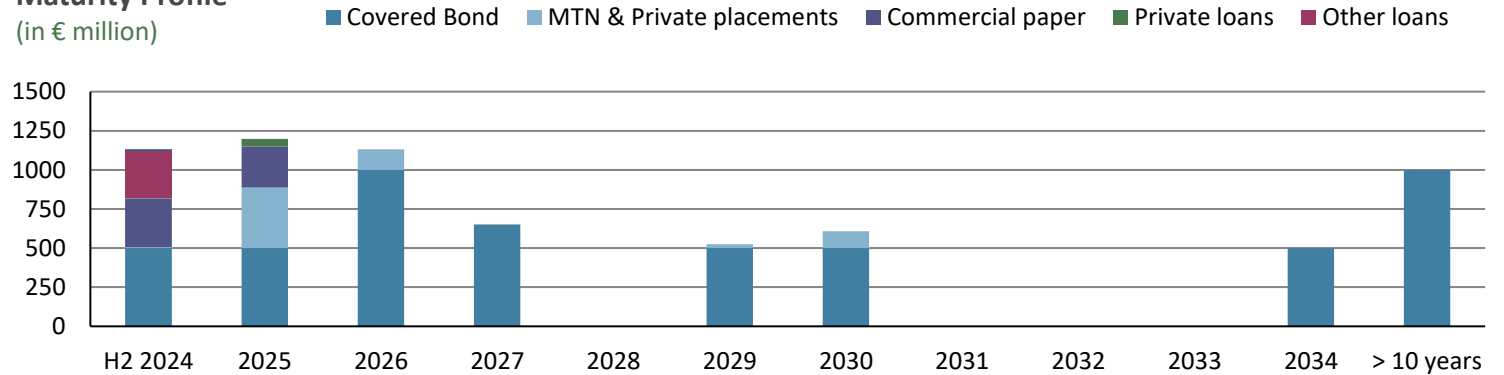
- Diversification: shift in funding mix from unsecured wholesale funding to savings and secured wholesale funding
- Avoiding refinancing peaks – currently capped at EUR 1.5 billion capital market funding p.a.
- Liquidity: survival period of at least six months
- Asset encumbrance (ratio) actively managed

Recent Funding activities:

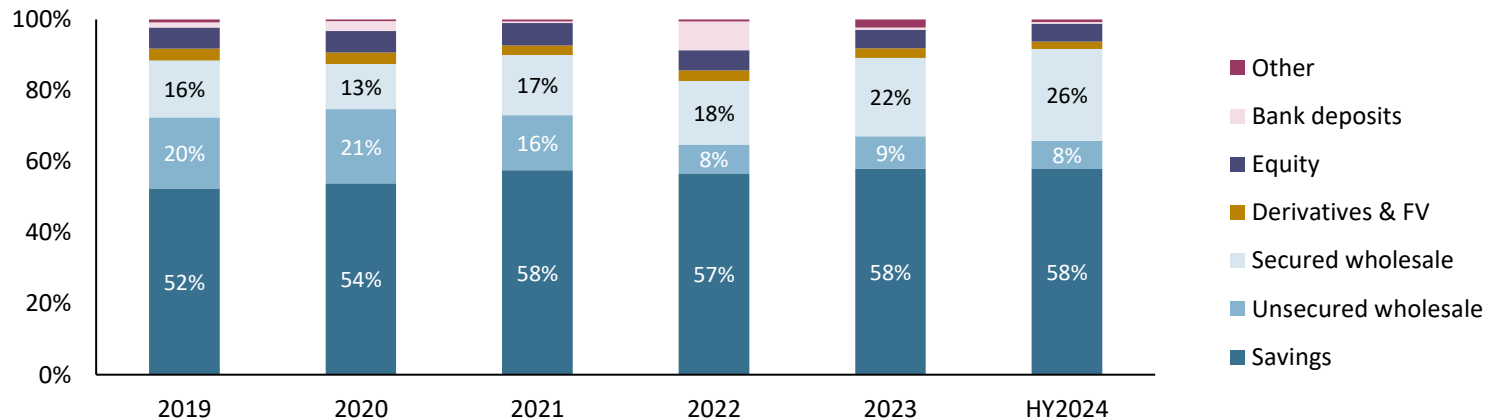
- 2022: 1x EUR 500 million 7yr Covered
- 2023: 1x EUR 500 million 7yr Covered, 1x EUR 500 million 3yr Covered and 2x EUR 100 million CHF Senior Preferred dual tranche of 3y and 7yr
- 2024: 1x EUR 500 mln 10yr Covered, 1x EUR 500 mln 12yr Covered, 1x EUR 125 mln Tier 2 and 1x EUR 650 mln 3yr Covered

Maturity Profile

(in € million)



Funding Mix

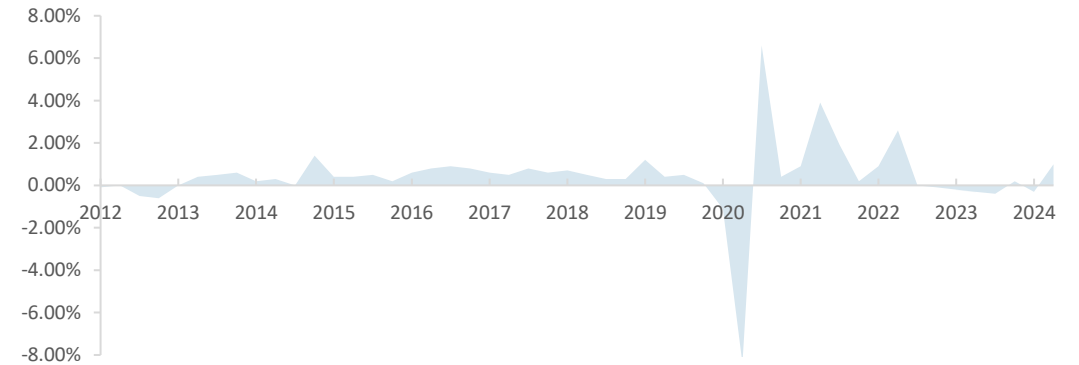


2. Dutch Economy

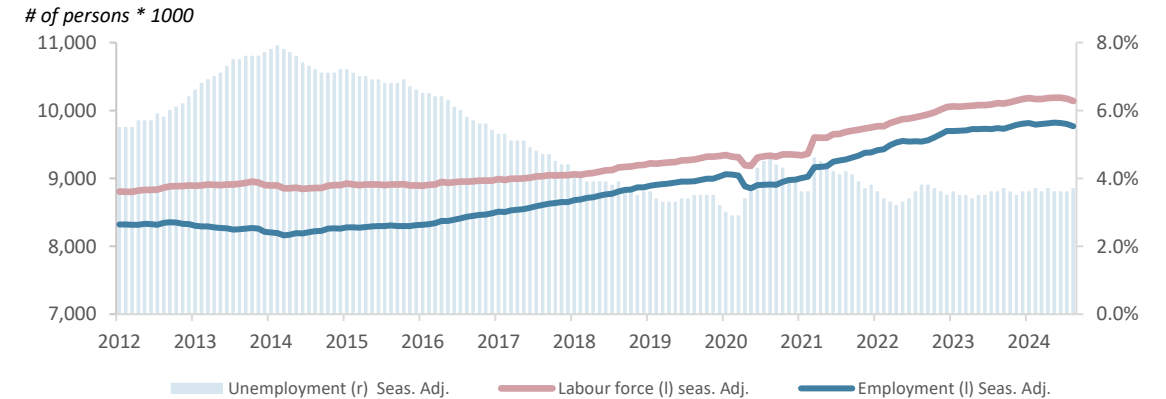
Dutch economy shows volatility, and the Dutch labour market remains tight

- In the first quarter of 2024 Dutch GDP contracted by 0.3%. In the second quarter of 2024, Dutch GDP increased significantly by 1% compared to the first quarter of 2024. The Dutch economy has shown volatility, recent quarters have shown a bumpy pattern: growth and contraction have alternated with significant swings
- This volatility is mainly due to international trade and household consumption. Exports, for example, grew strongly in the second quarter (+1.3%), after a sharp contraction (-1.4%) in the first quarter of 2024. The opposite was true for household consumption
- For the remainder of 2024, limited GDP growth of 0.6% is expected. Dutch GDP is expected to rise to 1.4% in 2025
- The Dutch labour market has been very tight for the past years. A prolonged tight labour market is expected, which dampens growth prospects. An expected increase in bankruptcies may eventually provide some relief in this regard

Gross Domestic Product (GDP)



Dutch labor market



Sources:

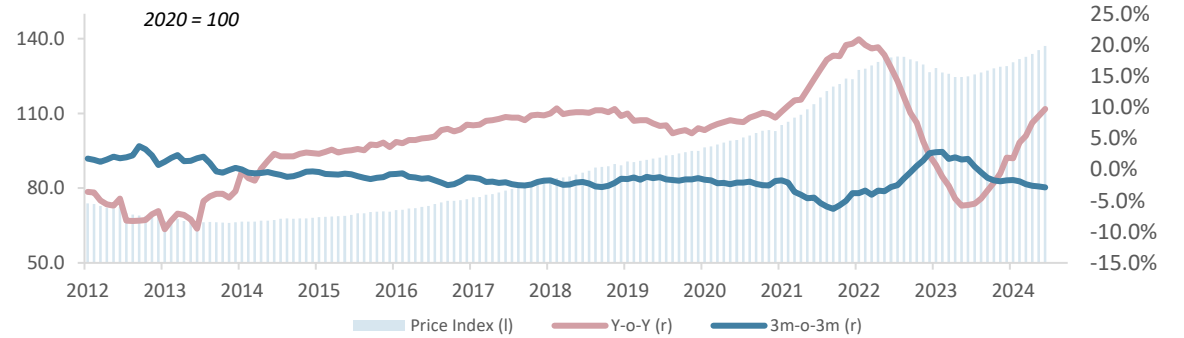
- CBS Statline
- RaboResearch: "Dutch economy: Moderate growth follows a bumpy growth path", 11 September 2024

2. Dutch Markets

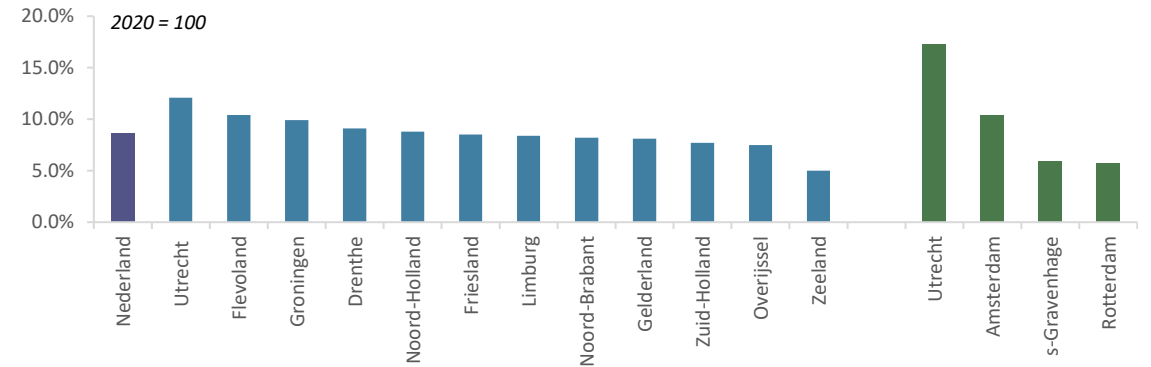
House price growth seen in all regions

- Due to rising incomes and housing shortages, the rise in Dutch home prices is accelerating even faster than expected. In July 2024, a double-digit growth rate has been observed for the first time since the summer of 2022. Compared to the price peak in 2022, houses are now about 4.6% more expensive again
- For 2024 a house price increase of 9.1% is expected and for 2025 a house rise of 10.7%
- The rapid house price recovery can be explained by the rapidly increasing demand. There are currently many house hunters which have more financial opportunities to buy a house thanks to increased incomes because of wage growth
- There is still very little house supply. Due to the rising interest rates, new construction has received a severe blow resulting in an increasing housing shortage, despite the policy ambition
- Although an uptick in the number of transactions has been observed this year, the lack of supply continues to put pressure on the number of transactions. A total of 197,000 existing home sales are expected for 2024. For 2025, 186,000 transactions are expected

Price index existing houses



Q2 2024 – Q2 2023 house price increase per region



Sources:

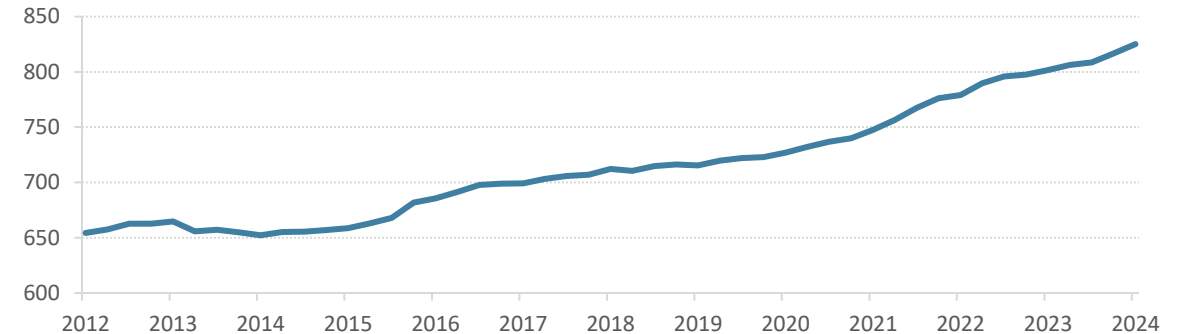
- RaboResearch: "Housing Market Quarterly Report: House price rise increases", 18 September 2024
- CBS Statline

2. Dutch Markets

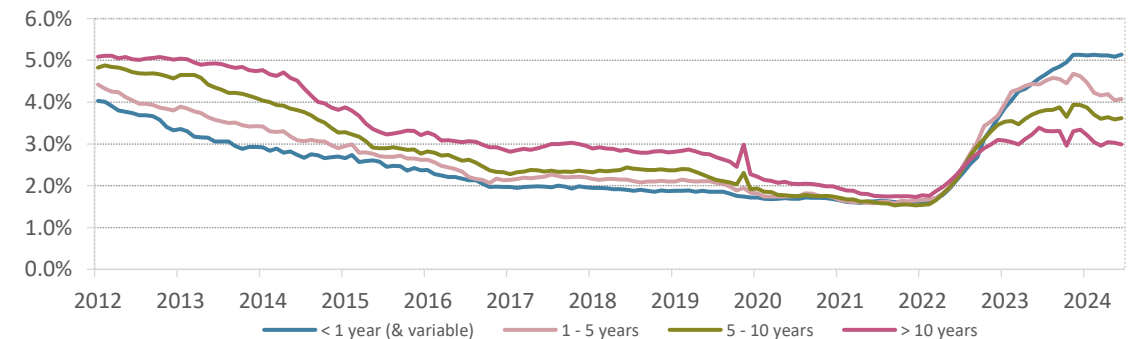
Small drop in mortgage rates observed

- While incomes have risen sharply, for 2024, a small drop in mortgage rates may be observed. Homebuyers who chose a 10-year fixed-rate mortgage in the third week of August 2024 paid an average 3.82% interest rate (week 34). Earlier in 2024, the average interest rate was still at 3.98%
- Lower mortgage interest rates not only lower monthly costs for the same mortgage amount, but also allow people to borrow a little more and thus offer more on a house which in turn leads to house price increases
- In terms of the interest rate picture, no major shocks are foreseen, although this expectation is surrounded by uncertainty
- It is assumed that capital market interest rates will remain stable in the coming years. These interest rates on long-term loans determine mortgage lenders' funding costs and therefore affect the level of mortgage rates

Residential mortgages outstanding (in € billion)



Average mortgage rates



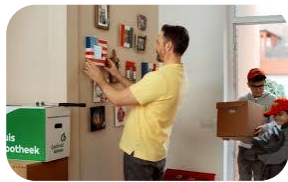
Sources:

- RaboResearch: "Housing Market Quarterly Report: House price rise increases", 18 September 2024
- Dutch Central Bank

3. Origination & Marketing

Division of Roles

Mortgage & Savings products are sold using two respected and well known Achmea brands: direct and intermediary channel



- Well known market brand of Achmea Group
- Centraal Beheer focuses on mainstream mortgages and savings
- Direct/broker channel (distribution partners)
- Mortgages are eligible as cover assets for the Covered Bond Programme



- Exclusively via broker channel
- A respected mortgage brand for 50 years
- Specialized in niche markets, i.e. self-employed and buy-to-let
- Mortgages are eligible as cover assets for the Covered Bond Programme (only owner-occupied mortgages)



- Acier is a closed book portfolio
- Achmea Bank acquired the Acier mortgage portfolio from Staalbankiers
- A significant part of the Acier mortgages are CHF denominated
- Mortgages are not eligible as cover assets for the Covered Bond Programme

In 2024 it is planned to transfer all Woonfonds mortgages to Centraal Beheer

4. ESG - Sustainability is in the core of our strategy: Sustainable Living. Together.

We commit ourselves to a net zero strategy

Our aim with our goals and activities is to contribute to three Sustainable Development Goals (SDGs) as described by the United Nations, namely:

We believe it is part of our responsibility to contribute to education and information aimed at increasing the general level of knowledge about financial matters and sustainability so that people can make more responsible financial decisions.



We want to make a positive contribution to the sustainability of homes. Our current ambition is to achieve an average EPC label A of our portfolio in 2030. We also aim to reduce the carbon emissions from our mortgage portfolio to net-zero by 2050.



In our business operations we want to be as little harmful as possible for our environment. We aim for carbon neutrality from our internal business operations by 2030.



Sustainability in products and services

- Transition our insurance portfolio to net-zero greenhouse gas emissions by 2050
- We are aiming for an inclusive and fair energy transition and help our customers make the necessary steps to more sustainable living
- Measure and disclose portfolio emissions based on the availability of standardised protocols
- Offer our customers solutions to adapt to climate change (e.g. green roofs, insurance coverage for weather events) and the transition to a low carbon economy (e.g. solar panels and sustainable repairs)

Sustainability in business operations

- Climate neutral business operations in 2030
- Energy consumption reduced as much as possible and, where possible, generate it locally
- Procurement 100% circular and energy efficient products and materials

Achmea Bank participates in the Partnership for Carbon Accounting Financials (PCAF), the Energy Efficient Mortgage Hub NL and The UNEPFI Principles for responsible Banking– this ensures a transition strategy that is comparable and measurable¹

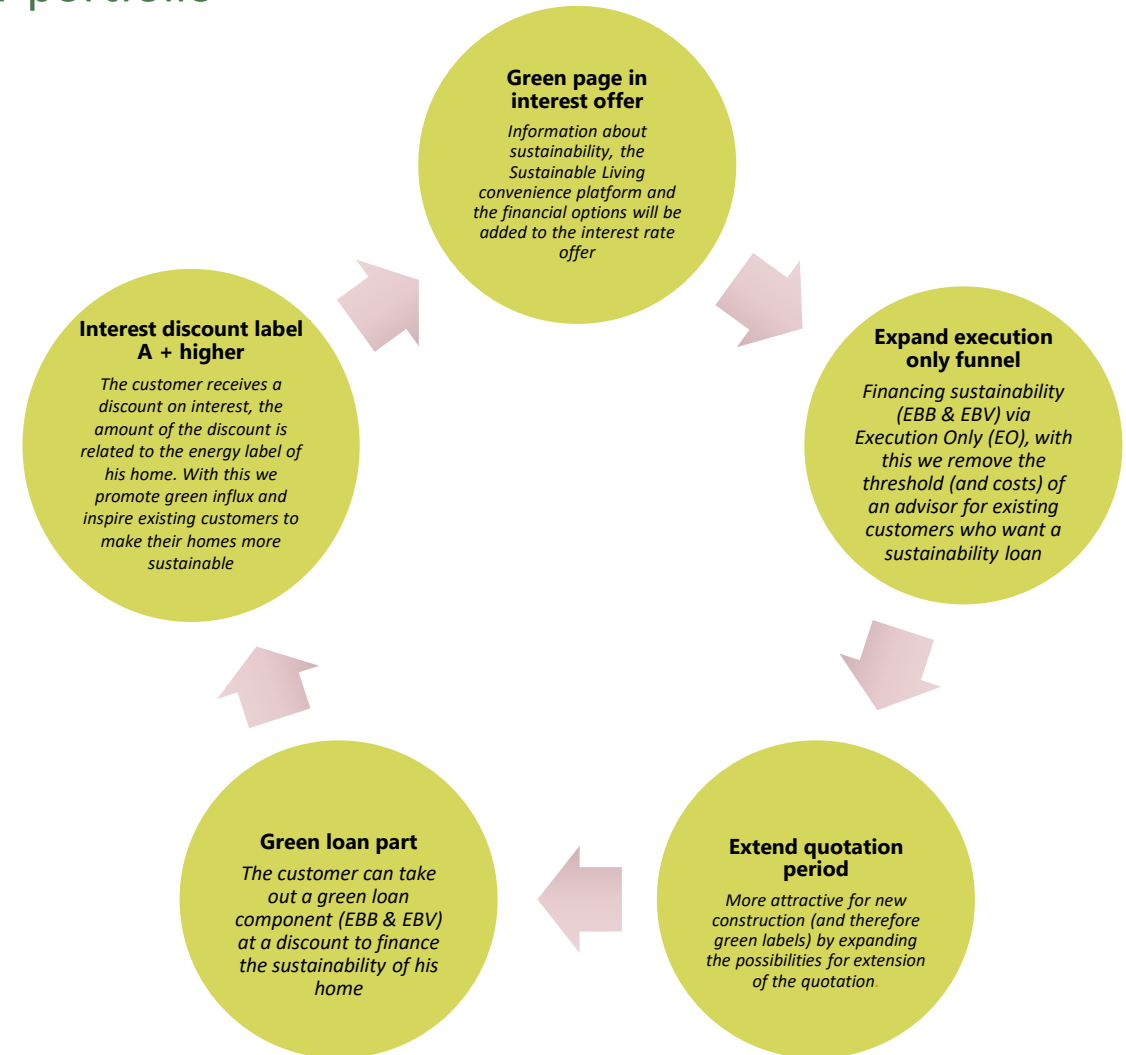
¹ Based on fact-based scientific foundation IPCC (International Panel on Climate Change)

4. ESG

Stimulating sustainability among homeowners in our portfolio

Achmea has decided on 5 product adjustments to the Woonfonds and Centraal Beheer mortgage portfolios to make the portfolio more sustainable

- To date, the product range in the field of sustainability for the Centraal Beheer and Woonfonds brands has been limited to the legal options in the field of Energy-saving Facilities (EBV) and, in addition, the Energy Saving Budget (EBB) introduced by NHG
- With the 5 proposed product adjustments, we will further expand the sustainability range for existing and new customers
- On the Centraal Beheer and Woonfonds product lines, we offer an integrated solution in the field of increasing sustainability in the market: from advice and financing options to realization and subsidy assistance
- The activities also include activation through information about sustainability and activation and support through the sustainability scan and services of Centraal Beheer



4. ESG - Sustainability framework of Achmea Bank



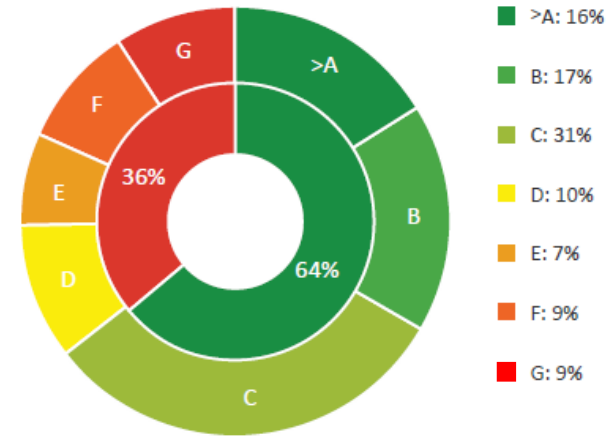
4. ESG

Monitoring and steering on energy label

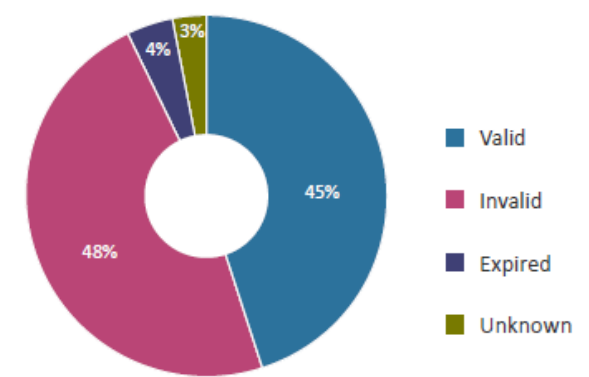
On average 19% of all carbon emissions in the Netherlands are caused by residential buildings (source: Milieu Centraal). To achieve the ambitions of the Paris climate agreement, a large part of the Dutch housing stock must be made more sustainable

- As a provider of mortgages, we have a social responsibility to contribute to the reduction of the greenhouse gas emissions of the buildings we finance. That is why we offer financial solutions to fund the transition to make homes more sustainable. We also actively encourage our customers to make their homes more sustainable, thus reducing energy usage and carbon emissions.
- The Netherlands Enterprise Agency (RVO) registers all indicative and definitive energy labels within the Netherlands.
- Calcasa provides the energy labels to Achmea Bank. Calcasa is the leading automated valuation model (AVM) provider in the Netherlands
- In 2023 the average energy label of our mortgage portfolio was C (2022: C)
- Homeowners need a definitive energy label in order to sell their home. A definitive energy label is a more reliable measure of the energy performance of houses
- In 2023, approximately 45% of energy labels in our portfolio have at least been verified or inspected (2022: 42%). If no definitive energy label from the RVO is present, we receive a provisional estimated energy label by Calcasa

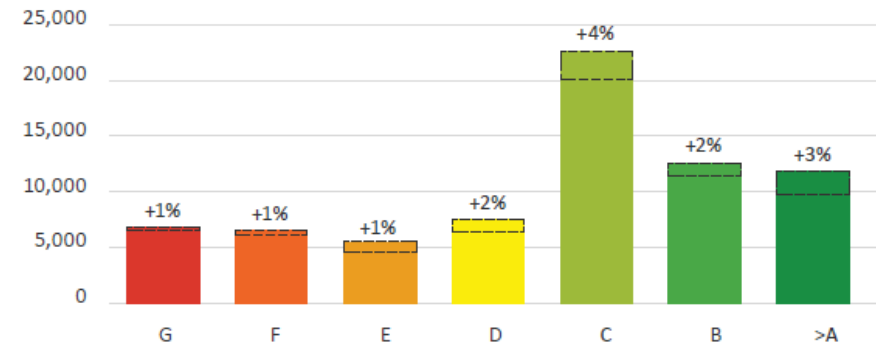
Energy labels in our portfolio (%)



Energy label status 2023 (%)



Energy labels (yoy change %)



Source: Calcasa at FY 2022 excl. Acier portfolio

4. ESG

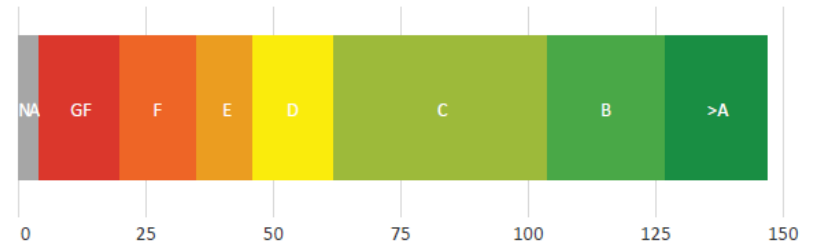
The carbon footprint of Achmea Bank

Achmea Bank has performed an initial analysis to define climate change-related risk drivers in order to identify potential impact on the mortgage portfolio of Achmea Bank

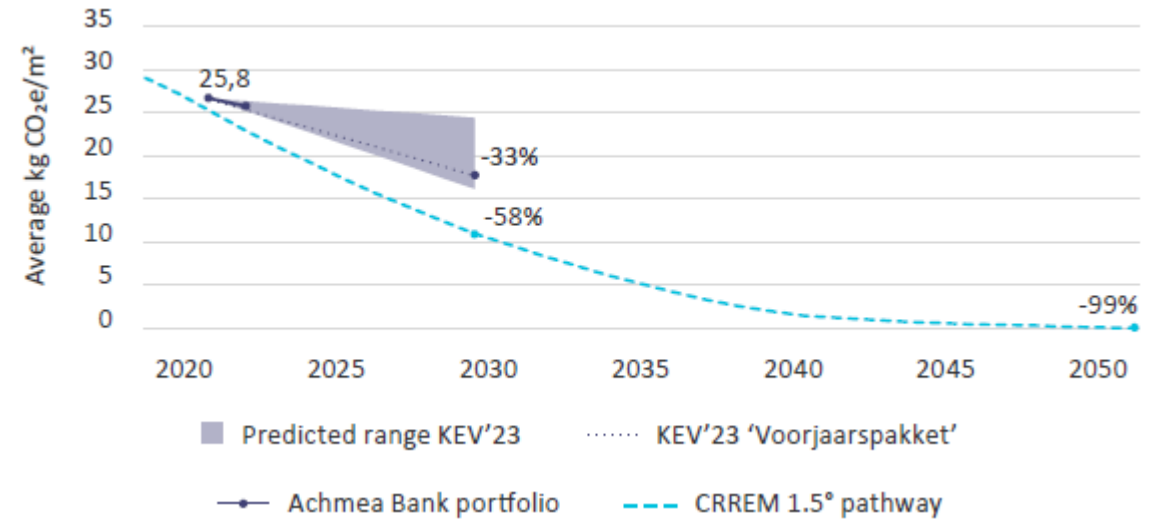
- In 2019 we started monitoring the CO2 emissions of our mortgage portfolio. The carbon emissions from our mortgage portfolio are calculated by using the PCAF methodology
- PCAF stands for: Platform Carbon Accounting Financials. The PCAF was created by a group of Dutch financial institutions to improve carbon accounting in the financial sector and to create a harmonized carbon accounting approach. We actively participate in the PCAF Netherlands working group for mortgages
- The average consumption per building can be converted to CO2-emissions by multiplying with emission factors: 1.788 kg CO2e/m3 for natural gas and 0.292 kg CO2e/kWh for electricity
- The financed portfolio emissions are calculated by multiplying the absolute CO2-emissions with our Attribution Factor of 0.60. The Attribution Factor is based on a Loan-to-Value approach. This was 158 ktonne absolute CO2-emissions, 13.4 kt CO2e/bn. EUR outstanding amount economic intensity and 17.6 kg CO2e/m2 floor area physical intensity
- For our actual ESG ratings and our ESG Impact Report please visit: <https://www.achmeabank.nl/investors/esg>

* SBTi is not a market standard. If a new market standard is published we will adapt.

Financed carbon emissions (kt CO₂e)



Mortgage portfolio	Total assets (bn. EUR)	Assets measured (%)	Financed emissions (kt CO ₂ e)	Economic carbon intensity (kt CO ₂ e/bn. EUR)	Physical carbon intensity (kt CO ₂ e/m ²)
2022	12,3	95%	138,2	11,9	26,7
2023	14,3	96%	147,7	10,8	25,8

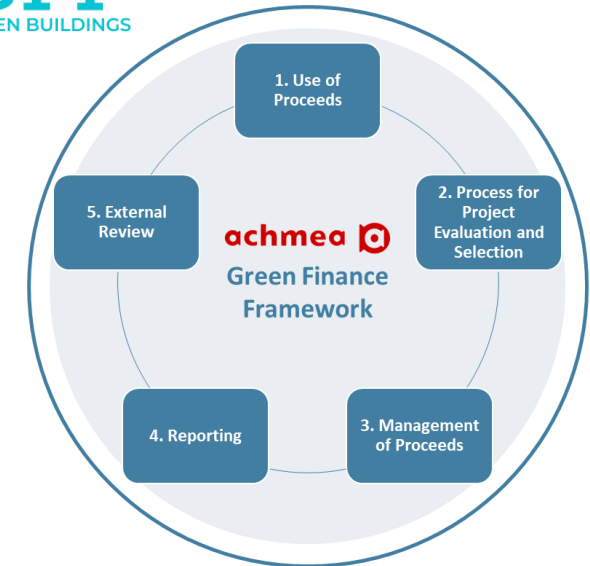


5. ESG: Green Finance Framework

- Our sustainability ambition also includes attracting green funding. With this, we offer our investors sustainable investment opportunities in high-quality Dutch mortgages and real estate
- Green finance instruments are an effective tool to channel investments into assets that have climate benefits or support the transition to a carbon-neutral economy
- Achmea has set up a Green Finance Framework (GFF) based on the Green Bond Principles (ICMA) and the Green Loan Principles (LMA/APLMA)
- The GFF has been externally reviewed by ISS ESG; a Second Party Opinion is available for this purpose. Also, the methodology has been reviewed by CFP Green Buildings; see the Methodology Report for this
- Achmea uses the proceeds from the issuance of financial instruments under this framework to finance sustainable mortgages and/or investments in energy-efficient homes and buildings in the Netherlands
- Mid 2024 the Green Finance Framework (GFF) was updated



ISS ESG



SUSTAINABLE LIVING, TOGETHER

THE **achmea** WAY

5. Achmea Green Finance Framework

Achmea's Rationale for issuing Green Finance Instruments

Issuing Green Finance Instruments is in line with Achmea's ESG strategy and ambition

- Green Finance Framework complements Achmea's ESG strategy and ambition
- Achmea's aim is to contribute to the transition to a sustainable economy by investing our assets responsibly
- Achieving CO2-neutral business operations by 2030 and reducing the climate footprint, as well as fostering the energy transition via Achmea's investments
- Green Finance Instruments are an effective tool to channel investments towards assets that have demonstrated climate benefits or support a low-carbon economy

Aligning funding strategy with sustainability strategy and objectives

- Funding assets mitigating climate change by reducing emissions and having a positive impact
- Contributing to Dutch Climate Agreement
- Committing to Achmea's commitment to sustainability and society (UN SDGs)
- Contributing to the development of sustainable financial markets
- Diversifying of Achmea's investor base and product range



[Link](#)

5. Achmea Green Finance Framework

CFP Green Buildings developed a methodology report for the Green Residential Buildings

Methodology report developed by external consultant CFP Green Buildings:

- CFP Green Buildings, a specialised consultant, helped to develop the approach for identifying the top 15% low-carbon residential buildings in the Netherlands
- In the Netherlands, buildings with an EPC label A comprise 23% of the total residential building stock. Therefore, year of construction is included as an additional criteria to define the top 15%
- Buildings built since 2003 belong to the top 15% newest building built until year-end 2020.
- As recommended by CFP, Achmea has conservatively selected 2006 as the cut-off year because a new Building Code was introduced that year.
- Buildings built as per 2006 account for 12.20% of the total building stock built before 31st of December 2020, which is within the top 15%.

Residential Buildings with primary energy demand of NZEB minus 10%

- EU Taxonomy: buildings should outperform the NZEB requirements by at least 10% in primary energy demand
- In the Netherlands, this is best presented in terms of BENG 2 (max. primary fossil energy usage in kWh/m²/p.a.)
- A 10% improvement results in:
 - Ground based houses: 27kWh/m²/p.a.
 - Flats and apartments: 45kWh/m²/p.a.

This methodology by CFP is also part of the Dutch Energy Efficient Mortgage Framework of the EEM NL Hub.



[Link](#)

5. Achmea Green Finance Framework

Framework Project Evaluation and Selection & Management of Proceeds

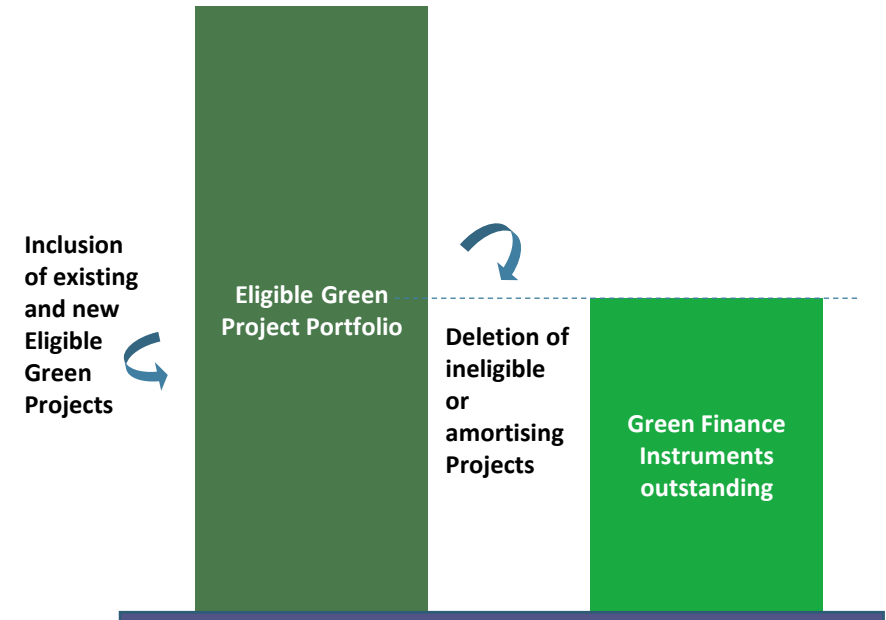
Process for Project Evaluation and Selection

- Green Finance Committee will manage any future updates of the Framework, including expansions to the list of Eligible Categories, and oversees its implementation
- Achmea is aware of EU Taxonomy and EU GBS requirements that Eligible Green Projects contribute to one of the EU Environmental Objectives and do no significant harm to any other objective
- Achmea safeguards that all selected Eligible Green Projects comply with official laws and regulations on a best-efforts basis. It is part of Achmea's transaction approval process to ensure that Eligible Green Projects comply with Achmea's sustainability policy

Management of Proceeds

- Proceeds will be managed in a portfolio approach
- Achmea strives to a level of allocation that matches or exceeds the balance of net proceeds from its outstanding Green Finance Instruments

Management of Proceeds based on a portfolio approach



5. Achmea Green Finance Framework


Framework Reporting

- The Green Finance Framework has been externally assessed by ISS ESG; a Second Party Opinion is available. The methodology has also been assessed by CFP Green Buildings
- Achmea B.V. issued its first and currently only green bond in November 2022, the details of which are presented in the table below


31 December 2023

Eligible Green Loan Portfolio Category			Green Funding			
	Number of properties	Amount (EURm) ¹	Instrument (ISIN)	Issuance Date	Maturity Date	Amount (EURm)
Eligible Green Project Portfolio ²			XS2560411543	Nov 2022	Nov 2025	500
▪ Properties built before 31 December 2020						
○ EPC "A or higher"	8.221	1.938				
○ Top 15%	2.147	474				
▪ Properties built after 31 December 2020						
○ NZEB - 10%	84	26				
Total		2.438³	Total			500

Percentage of Eligible Green Project Portfolio allocated to net proceeds of green funding (usage):	21%
Percentage of net proceeds of Green Funding allocated to Eligible Green Loan Portfolio:	100%
Eligible Green Loan Portfolio - Unallocated (EURm):	1.938
New property loans added to the Eligible Green Loan Portfolio since previous allocation report (30 June 2023):	1.010
• Eligible Green Loans designated since 30 June 2023 (EURm):	173
• Eligible Green Loans due to updated Green Bond Framework and Eligibility Criteria (EURm):	837
Alignment with EU Taxonomy TSC for substantial contribution criteria:	100%
Alignment with EU Taxonomy TSC (SCC + DNSH + MS) ⁵ :	76% ⁶
All assets in the Eligible Green Project Portfolio are geographically located in The Netherlands.	



Achmea B.V.
Green Bond
Allocation Report
31 December 2023



Achmea B.V.
Green Bond
Impact Report
31 December 2023

[Link](#)

[Link](#)

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