

ACHMEA BANK REPORTS AN OPERATING PROFIT BEFORE TAXES OF EUR 33 MILLION

Tilburg, 25 August 2023

- Achmea Bank N.V. reports an operating profit before taxes of EUR 33 million for the first half-year 2023 (EUR 11 million for the first half-year 2022)
- The mortgage portfolio increased with EUR 1.0 billion (+8%) to EUR 13.4 billion, reflecting the Bank's growth and diversification strategy
- The capital position remains strong; with a Common Equity Tier 1 Ratio of 17.1% (December 2022: 18.2%)

The operating profit before taxes increased by EUR 22 million to EUR 33 million in the first half-year of 2023 compared to the first half-year 2022. This increase is mainly due to higher interest margin of EUR 45 million, lower fair value result of EUR 15 million and higher operating expenses of EUR 7 million.

The positive development of interest margin strengthened in first half-year 2023, due to both an increase of our mortgage portfolio and higher margins on new originated and repriced mortgages. The rise in interest rates resulted in a shift of the mortgage market to shorter fixed-interest periods (<=10y) of which Achmea Bank clearly benefited. In addition to growth of our mortgage portfolio, interest margin improved due to lower funding costs including derivatives.

The mortgage production of Centraal Beheer for Achmea Bank increased due to the shift of the mortgage market to shorter fixed-interest periods. Together with a strong price position the origination of new mortgages increased with EUR 0.5 billion to EUR 1.1 billion in the first half of 2023 (EUR 0.6 billion H1 2022). Combined with prepayments of EUR 0.6 billion and the acquired portfolio from a.s.r. (EUR 0.5 billion), the Achmea Bank mortgage portfolio increased by EUR 1.0 billion to EUR 13.4 billion in line with the Bank's growth and diversification strategy. To further strengthen this strategy and remain robust in uncertain market circumstances, the Bank also joined the residential mortgages platform of asset manager DMFCO as per March 2023.

Wealth accumulation for customers through savings and investments is also an important pillar of the Bank's strategy. In 2023 Achmea Bank added retail investment to its portfolio. Due to rising interest rates, the retail savings market has become more active. The combination of our strong brand (Centraal Beheer) and attractive pricing strategy resulted in a growth of our retail savings portfolio of EUR 0.7 billion.

The fair value result of EUR 7 million loss (2022 EUR 8 million profit) is an accounting result related to the derivatives used for hedging the interest rate risk. This accounting result is mainly 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 7 million relates to the increase in servicing fees of our mortgage portfolio which servicing is outsourced. The efficiency ratio improved significantly from 88% (December 2022) to 57% for the first half-year 2023, reflecting a limited increase of operating expenses in relation to the increased interest margin. 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 January 2023, the Bank issued a second EUR 0.5 billion tranche under its EUR 5 billion Soft Bullet Covered Bond (SB CBP) programme, which was established in 2021. In June 2023, Achmea Bank finalized the transfer of the three covered bonds under its EUR 5 billion Conditional Pass-Through Covered Bond (CPT CBP) programme to its EUR 5 billion SB CB program. The total outstanding amount of covered bonds on 30 June 2023 was EUR 3 billion.

The Common Equity Tier 1 Capital Ratio remains strong at 17.1% (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 profit plus a small amount (EUR 2 million) of released other reserves. Achmea Bank is working towards the implementation of Advanced Internal Rating-Based (AIRB) approach for its regular mortgage portfolio(s).

S&P confirmed the Issuer Credit Rating Outlook per 23 June 2023 of A-/stable, and Fitch confirmed the issuer Default Rating of A/Stable per 15 November 2022.

Achmea Bank is part of the Achmea Group's Retirement Services strategy. As part of Achmea's purpose 'Sustainable Living Together', Achmea's Retirement Services strategy allows customers to have and generate income for today and tomorrow. Achmea Bank offers mortgage, savings and investments solutions for retail customers in close cooperation with Centraal Beheer, Syntrus Achmea and Achmea Investment Management to achieve our shared ambition: making the whole of the Netherlands financially fit and self-reliant.

Tilburg, 25 August 2023

The Managing Board

P.J. Hurman

M.J.M. Geubbels

KEY FIGURES

FOR THE PERIOD ENDED 30 JUNE

IN MILLIONS OF EUROS

	2023	2022
Interest Income	145	96
Interest expense	45	41
Interest margin	100	55
Changes in fair value of financial instruments	-7	8
Interest margin and changes in fair value of financial instruments	93	63
Other income	-	1
Fees and commission income and expense	-	-
Operating income	93	64
Impairment of financial instruments and other assets	2	2
Operating expenses	58	51
Total expenses	60	53
Operating profit before taxes	33	11
Income tax expense	9	3
Net profit	24	8
Ratios	30 June	31 December
	2023	2022
Efficiency ratio (operating expenses/interest margin, fees, and other income)	57.3%	87.8%
Common Equity Tier 1 Capital Ratio	17.1%	18.2%
Total Capital Ratio	17.1%	18.2%
Leverage ratio	5.2%	5.4%
Net Stable Funding Ratio	132%	130%
Liquidity Coverage Ratio	138%	211%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IN THOUSANDS OF EUROS		
	30 JUNE 2023	31 DECEMBER 2022
Assets		
Cash and balances with Central Banks	500,532	774,244
Loans and advances to banks	548,490	641,572
Derivative assets held for risk management	491,237	537,769
Loans and advances to public sector	594	606
Loans and advances to customers	12,926,467	11,870,599
Interest-bearing securities	45,024	–
Current tax assets	4,800	4,964
Prepayments and other receivables	94,703	99,271
Deferred tax assets	8,432	4,239
Total assets	14,620,279	13,933,264
Liabilities		
Deposits from banks	611,903	1,137,916
Derivative liabilities held for risk management	408,912	410,529
Funds entrusted	8,844,867	8,086,409
Accruals and other liabilities	57,800	73,782
Debt securities issued	3,896,665	3,433,534
Subordinated liabilities	1,159	1,191
Provisions	36	22
Total Liabilities	13,821,342	13,143,383
Share Capital	18,152	18,152
Share premium	505,609	505,609
Other reserves	250,726	252,705
Net profit for the period	24,450	13,415
Total Equity	798,937	789,881
Total Equity and liabilities	14,620,279	13,933,264

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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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.nl

About Achmea Bank

Achmea Bank is part of Achmea and provides mortgages and 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 €13 billion and manages savings of approximately €8 billion. Achmea Bank is located in Tilburg. There is more information on

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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