achmea

Bank

(Chamber of Commerce. 27154399)

ANNUAL REPORT

ACHMEA BANK N.V.

2024

Annual report

A WORD FROM THE CHAIRMAN OF THE MANAGING BOARD

The economic and social situation around us is continuously changing. Financial markets performed well over the past year. The European Central Bank (ECB) lowered interest rates at the end of June and again at the end of October for the first time in five years as inflation seems to be coming better under control. However, due to geopolitical tensions, the circumstances remain uncertain. Additionally, the challenges related to social security, the affordability of daily life, the tight housing market, and the new pension legislation, require our continuous attention.

Achmea stands for Sustainable Living Together. An inclusive society in which everyone participates and lives happily and healthily with and next to each other, in a way that can continue for the long term. Together with our customers, strategic partners and relations, we solve major social issues surrounding health, living & working, mobility and income.

Achmea Bank is part of Achmea's retirement services (ODV). Achmea's Retirement Services focuses on services for customers to generate income for today and tomorrow. ODV offers a comprehensive package of products and services through Achmea Bank, Centraal Beheer, Achmea Mortgages, Achmea Investment Management, Achmea Pension Services, Achmea Real Estate and Centraal Beheer PPI (Premium Pension Institution).

Achmea Bank helps customers make sound financial choices and provides smart solutions. Achmea Bank offers mortgages, savings products, and investment products to individuals in the Netherlands, in collaboration with Centraal Beheer, Achmea Mortgage Funds, Achmea Investment Management, and with external partners.
An important pillar of our strategy is investing in growth by diversification. First of all, we issue mortgages under the Centraal Beheer brand. Additionally, we have a multi-platform strategy, in which we also invest in mortgages from external platforms. For 2024, we concluded our strategy worked well. We are proud of our commercial and financial results. Our balance sheet grew to EUR 20 billion and our operating result before taxes increased to EUR 92 million.

The mortgage and savings portfolio of Achmea Bank continues to grow.
Achmea Bank contributes to Centraal Beheer's mission to be a broad financial service provider with the growth of 40.000 new savings, investment, and mortgage customers. Centraal Beheer enjoys high customer satisfaction, which resulted in a NPS score of 32. This shows that customers value our products and services.
The on-balance mortgage portfolio grew to EUR 17 billion (2023: EUR 14 billion). The growth was realized with new origination of Centraal Beheer mortgages, purchases of mortgage portfolios and investment mandates for the external mortgage platforms.
The attractive interest rate offered by Centraal Beheer for savings has contributed to the significant growth of Achmea Bank's savings portfolio, which increased with EUR 1.5 billion to EUR 10 billion in 2024.

To finance the growing balance sheet of Achmea Bank, we have a diverse funding mix.
This mix consists of retail funding as well as unsecured and secured wholesale funding with varying maturities. In 2024, Achmea Bank issued EUR 1.6 billion of secured bonds under the Soft Bullet Covered Bond Programme.

As of October 2024, Syntrus Achmea Hypotheekdiensten is a subsidiary of Achmea Bank.
On October 1, 2024, Achmea split the mortgage and real estate activities of Syntrus Achmea Real Estate & Finance. Syntrus Achmea Hypotheekdiensten B.V. continues its activities (managing mortgages) as a subsidiary of Achmea Bank. The two subsidiaries of Syntrus Achmea Hypotheekdiensten B.V., Achmea Hypotheken B.V. and Attens Hypotheken B.V., are also consolidated within Achmea Bank.

Sustainability is important for Achmea Bank.
Achmea aims to make sustainable solutions accessible to its customers. Achmea Bank achieves this by focusing on sustainable solutions in mortgages and financial services. This demonstrates our commitment to taking responsibility for the world of tomorrow. Together with Centraal Beheer, Achmea Bank initiates initiatives that help customers make their homes more sustainable. We offer innovative services, such as improvement analyses, heat pumps, and the Sustainable Living Comfort service from Centraal Beheer. We support our customers in building wealth by providing insights and understandable products. We also help them make sound financial decisions. With our mortgage check, customers can better understand their financial situation. Our goal is to resolve our

debts for customers in financial trouble, for which we have collaborated with National Coalition for Financial Health (NCFG), SchuldenlabNL, the Dutch Debt Assistance Route (NSR), and Geldfit.

We continue to invest in data and technology.
The use of data and technology is crucial for effectively assisting customers. This is one of the strategic pillars of Achmea Bank. Therefore, also in 2024, we invested in our digital systems to improve the efficiency of our services. In 2024, Achmea GPT was introduced, a secure internal environment. Achmea GPT is a useful tool for employees to work more efficiently and increase their productivity.

Enthusiastic and skilled employees.
Last, but not least, I'm proud of the dedication and enthusiasm of our employees for their work and our customers. This is an important foundation for achieving good results. One of our key goals is the well-being of our employees and their enjoyment of work. We continue to invest in their development to ensure they remain fit for the future. Despite the tight labor market, we have shown to be able to attract and retain talent. With the 'All you can learn' training budget, a 34-hour workweek and a climate budget, we offer attractive employment conditions.
The high scores in our employee satisfaction survey shows that we have created a positive working environment at Achmea Bank. We have achieved this together and can be proud of it. This forms a strong basis for realizing our ambitious goals at Achmea Bank.
In summary, Achmea Bank can be proud of what we have achieved. I look forward with confidence to the next coming years. We are on the right track with our strategic ambitions and have a strong financial position. As a reliable bank, we are ready to further expand our position as a broad financial service provider.

I would like to thank our colleagues for their contribution and our customers and partners for their confidence in Achmea Bank.

Chairman of the Managing Board of Achmea Bank
Pierre Huurman

ACHMEA BANK IN NUMBERS

NON-FINANCIAL HIGHLIGHTS

MISSION | Achmea creates sustainable value for our customers, employees, company and society at large

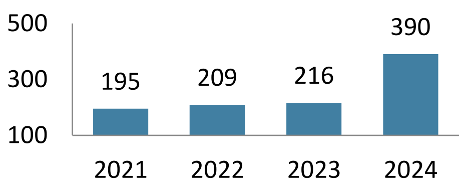
OUR BRANDS |

Attens Hypotheken

Centraal Beheer

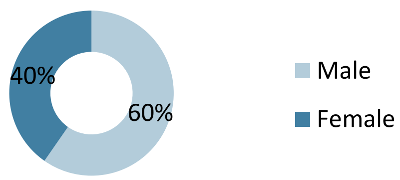
acier Financieringen

FTE |



2024: increase due to acquisition SAH

TOTAL MALE - FEMALE RATIO



MALE – FEMALE RATIO IN SENIOR LEADING POSITIONS

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♂ 8

EMPLOYEE ENGAGEMENT

	Passionate	Customer	Employability
2024	7,9	7,6	8,5
2023	7,9	7,4	8,5

FINANCIAL HIGHLIGHTS

INTEREST MARGIN

EUR 228 million

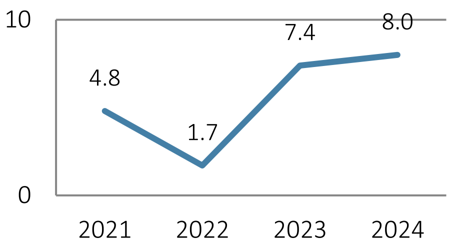
2023: EUR 204 million

OPERATING RESULT BEFORE TAX

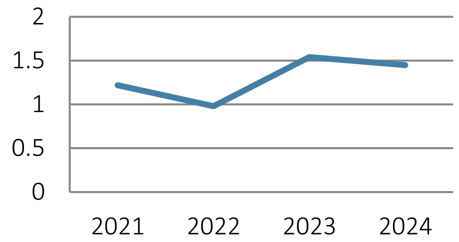
EUR 92 million

2023: EUR 81 million

RETURN ON AVERAGE EQUITY | %



NET INTEREST MARGIN (EXCL. CHANGES IN FAIR VALUE) | %



TOTAL CAPITAL RATIO |

19.1%

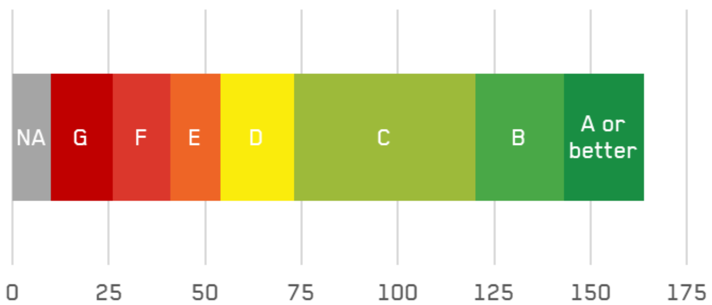
2023: 16.9%

EFFICIENCY RATIO (EXCL. CHANGES IN FAIR VALUE) |

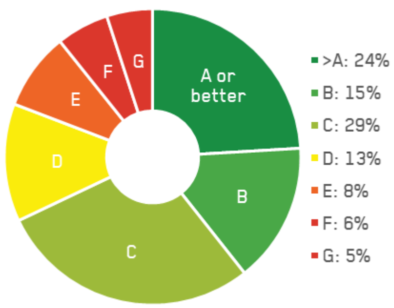
59.7%

2023: 55.6%

FINANCED CO2 EMISSIONS MORTGAGES



ENERGY LABELS MORTGAGES



MANAGING BOARD REPORT

The Managing Board
Mr. Pierre Huurman (Chairman), Mrs. Wendie Cornelissen (Director of Risk Management), Mr. Arnoud Kuiper (Director of Finance)

ABOUT US

Achmea Bank N.V. (hereinafter referred to as 'Achmea Bank') is a wholly owned subsidiary of Achmea B.V. Achmea B.V. is the ultimate parent company of the Achmea Group, the largest insurance group in the Netherlands, with a history of more than 200 years. Achmea Bank is part of the Achmea Group's Retirement Services. Achmea's Retirement Services focuses on a financial carefree life for customers for today and tomorrow.

Achmea Bank offers mortgage and savings products, as well as investment services, to retail customers in the Netherlands, in close collaboration with Centraal Beheer and Achmea Investment Management. Additionally, Achmea Bank invests in mortgages provided by third parties. It holds a banking license and is authorized to provide financial services under the Financial Supervision Act (Wft). Achmea Bank has approximately EUR 17 billion in mortgages on its balance sheet and around EUR 10 billion in savings.

On October 1, 2024, Syntrus Achmea Hypotheekdiensten B.V. and its subsidiaries, Achmea Hypotheken B.V. and Attens Hypotheken B.V., became part of Achmea Bank. The subsidiary Syntrus Achmea Hypotheekdiensten B.V. manages the operational activities for the mortgage portfolios of the brands Centraal Beheer, Attens, Syntrus Achmea, Woonfonds, and Tellius. Together, these brands represent a mortgage 'assets under management' volume of about EUR 33 billion. Achmea Hypotheken B.V. and Attens Hypotheken B.V., both subsidiaries of Syntrus Achmea Hypotheekdiensten B.V., originate mortgages for the Centraal Beheer (Leef Hypotheek) and Attens brands respectively.

Achmea Bank is headquartered in Tilburg and also has offices in Amsterdam and Apeldoorn, employing approximately 400 people.

PURPOSE

Achmea stands for Sustainable Living Together. An inclusive society in which everyone participates and lives happily and healthily with and next to each other, in a way that can continue for the long term. Together with our customers, strategic partners and relations, we solve major social issues surrounding health, living & working, mobility and income. Achmea focuses on four domains:

- Bringing healthcare closer
- Smart mobility
- Carefree Living and Working
- Income for Today and Tomorrow

Achmea Bank is part of Achmea's retirement services (ODV). ODV makes a significant contribution to the areas of Carefree Living and Working and Income for Today and Tomorrow. Through ODV, Achmea helps consumers, employers, and institutional clients make informed financial choices by providing insights, advice, and smart solutions. ODV offers a comprehensive package of products and services through Achmea Bank, Centraal Beheer, Achmea Mortgage Funds, Achmea Investment Management, Achmea Pension Services, Achmea Real Estate and Centraal Beheer Premium Pension Institution. Our collaboration with employers, institutional investors, intermediaries, and other partners serves as essential building blocks to provide our clients with the best possible solutions. In this way, we give concrete meaning to Achmea's purpose of 'Sustainable Living Together'.

Achmea Bank, together with Achmea Mortgage Funds, aims to provide over 1 million Dutch people with a carefree life today and tomorrow. We assist our clients in making informed financial choices. Our focus with Centraal Beheer is on retail customers, while Achmea Mortgage Funds targets institutional clients. By attracting external funding from institutional clients and opening the Centraal Beheer platform to partners, we enhance our opportunities to achieve our objectives.

Within this cluster, Achmea Bank contributes to the strategic impact areas of Carefree Living and Working and Income for Today and Tomorrow. We believe that everyone should have the financial means to lead a comfortable life, now and in the future. Together with our business partners, we offer financial solutions that enable individuals to build capital and purchase homes. We provide customers with simple and transparent mortgage loans, savings products, and investment services that are relevant in today’s world.

In addition to standard mortgage products, we focus on customers in underserved market segments (niche markets) by offering tailored solutions. We also invest in third-party mortgage portfolios and are building strategic partnerships that enhance and diversify our strategy.

IDENTITY

We are ready to support consumers at the moments that truly matter.
Our goal is to help our clients make responsible and sustainable financial choices. We achieve this by actively listening to their needs and providing support during crucial moments in their lives. Through research and regular conversations with our customers, we gain valuable insights into their experiences and expectations. This allows us to continuously align our products and services with their specific needs.

We offer smart, sustainable solutions that contribute to a stable financial foundation and a pleasant living environment.
Through Centraal Beheer, we provide a wide range of financial products and services, such as mortgages, savings products and investment products. This translates into our focus on customer friendliness and satisfaction, as well as offering straightforward propositions and products with demonstrable added value and excellent, reliable service. In this way, we help our customers achieve their financial goals from carefree living to building a financial buffer for the future.

Our products and services have social value.
We create this added value in a sustainable manner, based on our cooperative roots. We focus on responsible returns and promote sustainable living and energy-saving measures. Additionally, we are as much as possible actively committed to housing preservation by supporting customers even in financially difficult times. We also pay attention to the financial education of future generations. Through guest lectures, we teach children and young adults how to manage money wisely, so they can enjoy a financially carefree life now and in the future.

We are financially healthy and transparent.
We consider the trust of our customers in our bank as very important and handle our responsibilities with care. This means we maintain a financially sound balance and manage risks effectively. We provide transparent accountability to stakeholders and regulators, complying with the legislation and ethical standards that are essential in our sector. Compliance and risk management are firmly embedded in our company and hold an independent position. They continuously ensure that the products, processes, and services we provide reflect what Achmea Bank aspires to be: a solid and reliable bank.

Our people make the difference.
Every day, our employees make the difference, both in their relationships with one another and in our interactions with customers and partners. Our employees take pride and pleasure in working for Achmea Bank; they are dedicated experts in their field and convey this in their daily work. Our core values at Achmea are engaged, contemporary, ambitious, proud, and decisive. These core values and the purpose of Achmea, combined with our objectives, guide everything we do. In our network organization, it is essential that we connect with each other, share knowledge, inspire one another and collaborate effectively.

STRATEGY

Achmea Bank plays a key role in Achmea's retirement services strategy and functions as Achmea's retail bank, operating as a data-driven network bank with a clear growth ambition.

Mortgages

Profitable growth in mortgages is a crucial component of our strategy both from an interest margin perspective (on balance mortgage strategy) and from a fee perspective.

On balance mortgages strategy

The primary focus is on the Achmea Mortgages Investment Platform (Centraal Beheer Leef Hypotheek), which enables institutional investors to build their own residential mortgage portfolios in the Netherlands with their desired risk profiles. Additionally, Achmea Bank invests in mortgages on external platforms through strategic partnerships, increasing flexibility and enhancing the likelihood of achieving growth in the desired mortgage categories that align with our target balance sheet.

Furthermore, we drive growth through balance sheet transactions, which reduces our dependence on the primary mortgage market. Achmea Bank provides institutional investors with liquidity by acquiring mortgage portfolios that no longer optimally align with the desired characteristics of the institutional investors but fit well with Achmea Bank's target balance sheet. In this context, Achmea Bank prefers shorter fixed interest periods, while the selling institutional investors often favor longer fixed interest periods.

In addition to focusing on "mainstream mortgages," Achmea Bank also targets customers in specific market segments (niche markets). By addressing niche markets, we can achieve better returns and make a tangible contribution to social goals.

Fee strategy

Achmea Bank manages the servicing of all mortgages provided by Achmea. We focus on delivering high quality at the lowest possible costs through stable and digitized processes. Together with Achmea Mortgages, we focus on expansion of the number of external investors in our separate account (AMIP) and our mortgage fund (PVF Particuliere Hypothekenfonds) in order to achieve economies of scale and further strengthen Centraal Beheer's position in the mortgage market.

Finally applicable to both strategies, we contribute to social goals by assisting our customers in making their homes more sustainable through the development of accessible products and services, providing information, and raising awareness of climate risks and climate adaptation. We do not exclude any energy labels in this process. Additionally, we help customers prevent payment difficulties with their mortgages and offer solutions.

Saving and investment

Achmea Bank develops and manages retail (savings and investments) products for the third and fourth pension pillars, which are offered by Centraal Beheer, addressing the growing need for individual financial solutions for Income for Today and Tomorrow. Savings of Centraal Beheer customers make a significant contribution to the funding of our on- balance mortgage portfolio and the offering of investment products is part of our fee strategy.
Savings and investment products also play a significant role in the retirement services strategy and are essential for Centraal Beheer in positioning itself as a comprehensive financial service provider.

With our products, we provide sustainable returns on savings and investments, offering our customers control over their financial future throughout their life course. Additionally, Achmea Bank provides back-office services for the wealth-building products of Centraal Beheer. Our savings and investment solutions are offered within the same platform, allowing our customers to easily switch between savings and investment options while keeping costs low.

Development into a Data-Driven Network Bank

Smart, secure, and optimal use of data and technology is strategically important for Achmea Bank. As a data-driven organization, we strive to simplify and personalize the processes of our products for both customers and employees through the use of data and technology. To achieve these ambitions, we continuously invest in data, digitalization, and advanced technologies such as robotics and artificial intelligence (AI).

Our data warehouse already provides a solid foundation for the reliable and structured collection of data. Our data platform is designed to allow us to quickly onboard new partners. We ensure good data governance, clear ownership of data, proper usage of data, and maintain the quality of this data through agreements and controls, both internally and with our partners.

Where collaboration takes us further, we work with experts both within and outside Achmea. As a network organization, we have strategic partnerships with intermediaries and chain partners in the domains of mortgages, savings and investments, and we also collaborate with external mortgage providers. Thanks to these partnerships, we can optimally serve our customers, maintain flexibility, and create opportunities for further growth.

By joining forces with our partners, we not only realize customer-centric solutions but also create societal impact. We are committed to further strengthening our existing partnerships and establishing new, innovative collaborations. In this way, we can offer more customers the best: a financially carefree life, both now and in the future.

Strengthening the Positioning of Centraal Beheer as a Broad Financial Service Provider

Centraal Beheer has transformed from a traditional insurer into a broad financial service provider with a solid market position. Customer appreciation for our services is continuously increasing, demonstrating that we are increasingly meeting their needs at critical moments. Our focus on service and duty of care is key to our success.

Due to its strong market position, Centraal Beheer strengthens Achmea Bank's strategy, while our growth strategy enhances Centraal Beheer's positioning as a broad financial service provider. The growth of the mortgage portfolio creates a greater financing need, and the savings of Centraal Beheer's customers play an important role. Savings customers of Centraal Beheer can also access other products from Centraal Beheer.

Sustainable Organization

Our strategy aims to integrate ESG (Environmental, Social, and Governance) principles into the governance, risk management, and operational steering of our organization. Achmea Bank is committed to creating a sustainable impact and aims to achieve a 33% reduction in CO2 emissions by 2030 compared to 2022.

We embrace Achmea's sustainable employment policy, train our employees in ESG matters, maintain transparency regarding governance and our CO2 emissions, and identify climate risks as an integral part of our risk management.

MARKET DEVELOPMENTS

Mortgages

The total number of applications increased in 2024 by 29% in 2024. The average mortgage amount also increased to EUR 270.000 euros (+6,6% compared to 2023). This resulted in an increased volume of the Dutch mortgage market. This increase is largely attributed to a slight decrease in mortgage interest rates and increased wages, which provided consumers with more financial flexibility.

The strong mortgage market in 2024 is also reflected in the increase in first-time buyers, who made up a significant part of the market. First-time buyers accounted for 35% of all mortgage applications, driven by improved affordability due to slightly lower interest rates and higher disposable income. Additionally, the number of applications for NHG (National Mortgage Guarantee) loans increased by 15%, reflecting a growing demand for more secure mortgage options in the face of economic uncertainty.

As the housing market stabilizes, HDN reports that there is still cautious optimism in the market. The effects of the ongoing economic recovery, including strong wage growth and a decrease in unemployment, have provided a positive outlook for the mortgage market, encouraging both new buyers and those looking to refinance.

Savings and investments

Households in the Netherlands held a total of EUR 600 billion in their current and saving accounts at the end of 2024, an increase of EUR 24 billion compared to the beginning of the year. Rising wages enable households to save more money, while inflation makes them more cautious.

In 2024 the trend to save more through term deposits continued resulting in an increase of EUR 13 billion to EUR 92 billion (15% of total savings) at the end of 2024. Albeit modestly also savings of Dutch households at foreign banks continued to grow to approximately EUR 16 billion (2023: EUR 12 billion), about 2,6% of total savings.

Saving interest rates started to decline in the second half of 2024 due to the rate cuts set by the European Central Bank which are expected to continue in 2025 as long as inflation remains under control.

Finally, the market for pension savings and investments is also growing, supported by the “Wet toekomst pensioenen” of July 2023. This law not only regulates a major system change for pension funds, but also gives people -without an (adequate) pension- more room to build up additional pension in a tax-friendly manner.

FINANCIAL PERFORMANCE

IN MILLIONS OF EUROS	2024	2023	CHANGE
Interest Income	695	524	33%
Interest expense	467	320	46%
Interest margin	**228**	**204**	**12%**
Changes in fair value of financial instruments	−4	−8	−50%
Interest margin and changes in fair value of financial instruments	**224**	**196**	**14%**
Other income	1	1	0%
Fees and commission income and expense	13	1	n.a.
Operating income	**238**	**198**	**20%**
Impairment of financial assets	2	2	0%
Operating expenses	144	115	25%
Total expenses	**146**	**117**	**25%**
Operating profit before income taxes	**92**	**81**	**14%**
Income tax expense	24	21	14%
Net profit	**68**	**60**	**13%**

RATIOS	2024	2023	
Return on average equity	8.0%	7.4%	
Efficiency ratio (operating expenses/interest margin, fees and other income)	59.7%	55.6%	
Common Equity Tier 1 Capital Ratio	16.6%	16.9%	
Total Capital Ratio	19.1%	16.9%	
Leverage ratio	4.3%	4.8%	
Net Stable Funding Ratio	129%	129%	
Liquidity Coverage Ratio	191%	164%	

Due to our continuous strategic focus on growth and diversification of our portfolio as well as economies of scale, Achmea Bank's operating result increased to EUR 92 million in 2024 (2023: EUR 81 million). This increase was mainly driven by a higher interest result of EUR 24 million and higher fees and commission income of EUR 12 million, partly offset by higher operating expenses (EUR 29 million).

The interest result increased by EUR 24 million to EUR 228 million due to strong growth of the mortgage portfolios. The on- balance mortgage portfolio grew to EUR 17.4 billion (2023: EUR 14.4 billion). This strong growth was realised with origination of Centraal Beheer mortgages, acquisition of mortgage portfolios and mandates for the external mortgage platforms. The retail savings portfolio increased to EUR 10.1 billion (2023: EUR 8.6 billion). The growth of mortgages and retail savings increased the customer base of Centraal Beheer, and therefore, supported and strengthened the growth ambition of Achmea Bank and Centraal Beheer. The client satisfaction of Centraal Beheer Financial Services remained high with a NPS score of 32.

On October 1 2024, Achmea Bank successfully acquired Syntrus Achmea Hypotheekdiensten B.V. and its two subsidiaries, Achmea Hypotheken B.V. and Attens Hypotheken B.V. This entity manages the operational activities for the mortgage portfolios, totalling about EUR 33 billion, including EUR 11 billion on balance for Achmea Bank. This acquisition enables Achmea Bank to service a growing mortgage portfolio, resulting in an increase in fees and commission income of EUR 12 million, alongside higher operating expenses. The efficiency ratio for Achmea Bank in 2024 is 59.7% (2023: 55.6%).

The negative fair value result of EUR 4 million in 2024 (2023: EUR 8 million negative) is a result related to derivatives for hedging the interest rate risk. This result is compensated in other reporting periods, generally reflecting a pull to par as the derivatives approach maturity.

BANKING CODE

Achmea Bank has implemented the Banking Code. The Code helps to increase awareness of the role of banks and their responsibilities towards society. Achmea Bank devotes close attention to the Code in its operations, risk management and in its dealings with customers and other stakeholders. The Bank fully complies with the principles of The Code. Achmea Bank publishes its full report regarding the “Application of Banking Code” on www.achmeabank.com.

COMPOSITION OF THE MANAGING BOARD

As at 1 December 2024, Wendie Cornelissen has been appointed as Director of Risk Management. Arnoud Kuiper has been appointed as Director of Finance of Achmea Bank, effective on 13 January 2025.

The Managing Board of Achmea Bank consists of Pierre Huurman (Chairman), Arnoud Kuiper and Wendie Cornelissen.

RISK MANAGEMENT

The Bank aims to maintain a sound balance between risk and return. Adequate risk management is key in order to support and monitor the Bank’s core activities and our sound internal governance, alongside our strong risk culture and well-defined responsibilities for the risk management and control functions is essential for achieving our strategic objectives. The Bank has formulated a risk appetite statement that reflects the level of risk the bank is willing to take, considering the interests of various stakeholders. This risk appetite statement represents the maximum risk that Achmea Bank is prepared to accept while executing its chosen strategy and objectives, and while remaining able to meet its financial and non-financial obligations to its stakeholders. To ensure sound and effective business operations, the Bank has implemented an integrated governance, risk and compliance framework, that consists, apart from other risk management instruments and techniques, of a sound risk and control framework for all primary processes in the organization. The Bank continuously reviews and fine-tunes the monitoring and management of its financial and non-financial risks, including fulfilling our responsibilities as a gatekeeper for the financial system by focusing on compliance related obligations such as Anti-Money Laundering and Customer Due Diligence. More detailed information about (financial and/or operational) risk management can be found in the section Risk Management.

Capital position

The Total Capital Ratio remains strong at 19.1% (31 December 2023: 16.9%).The increase is mainly due to the addition of the 2023 (EUR 30 million) and 2024 (EUR 34 million) result and the issuance of the subordinated bond of EUR 125 million.. Achmea Bank has received approval from DNB to add the net result for 2024 to the reserves. In 2023, 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. Until Achmea Bank executed the Remedial Action Plan to address the obligations related to identified areas for improvement, Achmea Bank must apply the Standardised Approach (SA) floor, which is at least equal to SA calculated risk weighting of its assets (RWA). In the medium term, finalizing the remediation may also result in an improvement in capital ratios.

The Leverage Ratio (LR) is a regulatory capital adequacy measure under CRD IV/CRR. Achmea Bank complies with the internal minimum requirement for 2024 of 3.5% and the (expected future) external minimum requirements; the LR as at 31 December 2024 is 4.3 (2023: 4.8%).

Liquidity position

Achmea Bank manages its liquidity positions prudently. The most important metrics used to monitor liquidity & funding risks are the Liquidity Coverage Ratio (LCR), the Net Stable Funding Ratio (NSFR), the Asset Encumbrance Ratio (AE ratio) and the Survival Period (SP). The SP reflects the period that the Bank's liquidity position remains positive in the most severe internal stress scenario. Additionally, the Bank performs a set of liquidity stress tests on a quarterly basis. The Bank manages its liquidity position prudently and complies with the minimum regulatory and internal requirements.

The Bank complies with all external and internal minimum liquidity requirements in 2024. At year-end 2024 the LCR was 191% (2023: 164%), the NSFR was 129% (2023: 129%) and the Survival Period (SP) was greater than 12 months (2023: greater than 12 months).

Uncertainties Achmea Bank

Our activities involve inherent uncertainties, as do the related investments. The risks related to the development of the financial markets are managed through the risk assessment policy and the restrictions it contains. We aim to manage the volatility of the key ratio's based on the set limits related to the key risks of the Bank.

Trends and developments

The financial markets have been turbulent in recent years. Inflation in 2024 was at a lower level than in previous years but is still relatively high. Central banks have started lowering interest rates. However, inflation expectations for the coming years are uncertain: it cannot be ruled out that an ageing population, sustainability, geopolitical fragmentation and domestic tightness in the housing market will put upward pressure on inflation for a long time to come. The financial markets affect our interest margins we can achieve. We see that increasing laws and regulations lead to cost increases. The implementation of legislation in the field of digital resilience (DORA) and customer due diligence, for example, has a major impact on the organization. The risks our customers face are changing, for example, risks associated with climate change are becoming increasingly relevant. We aim to play a role in making our customers and society more resilient to the consequences of climate change and stimulating the transition to a climate neutral society.

Tilburg, 13 March 2025

The Managing Board,
Mr. P.J. (Pierre) Huurman (Chairman)
Mrs. W.S. (Wendie) Cornelissen (Director of Risk Management)
Mr. S.J.A. (Arnoud) Kuiper (Director of Finance)

SUPERVISORY BOARD REPORT

The Supervisory Board
Mr. Huub Arendse, Mr. Lex Kloosterman, Mrs. Daphne de Kluis, Mr. Hans Snijders

2024 was a successful year for Achmea Bank, with the operating result rising to EUR 92 million (2023: EUR 81 million). Additionally, the scores in the employee satisfaction survey were high. On October 1, Achmea Bank successfully acquired Syntrus Achmea Hypotheekdiensten B.V. This entity manages the operational activities for the mortgage portfolios, totalling about EUR 33 million.

The composition of the Supervisory Board and the Managing Board has changed compared to last year. As of 26 September, Mrs. Miriam van Dongen stepped down as a member of the Supervisory Board of Achmea Bank. As per 1 January 2025, Mark Geubbels stepped down as statutory Director of Finance & Risk at Achmea Bank. The Supervisory Board would like to thank both for their valuable contribution to the development of Achmea Bank.

The Supervisory Board is responsible for supervising and advising the Managing Board on its conduct and general management of the business. Supervisory Board approval is required for important business and strategy-related decisions, such as transfer of a significant part of the business, entering into or terminating a long-term partnership, major participations and investments and in case of reorganisations.

The Supervisory Board convened on seven occasions in 2024 (including one dedicated strategy meeting). Important items on the agenda included the full-year and half-year results, the strategy, duty of care for customers, capital and funding plans, ESG policy, the employee engagement survey, risk appetite and the status of strategic projects such as the advanced internal rating-based model (AIRB) remediation program and the acquisition of Syntrus Achmea Hypotheekdiensten B.V. as a result of the reorganizing of the mortgage activities within Achmea.

One of the Supervisory Board's key duties is its involvement with Achmea Bank's strategy and monitoring its implementation. Achmea Bank's strategy focuses on strengthening its current business model and thereby adding value to Achmea Group's retirement strategy. The Managing Board and the Supervisory Board discussed the strategy in several meetings. The Supervisory Board also invited bank's staff members and managers to inform the board about relevant developments. The macroeconomic and geo-political environment is dynamic, which have an impact on inflation, interest rates and credit spreads. The Supervisory Board and the Managing Board regularly discussed the impact of these developments on the Bank's strategy.

Achmea Bank is part of the Achmea Group's Retirement Services. Achmea's Retirement Services focuses on a financially carefree life now and in the future. That is a far-reaching ambition, which will need commitment and endurance. The Supervisory Board and the Managing Board discussed the intended optimisation of the role of Achmea Bank within the group with respect to Retirement Services as part of Achmea's aim of Sustainable Living, Together ('Samen Duurzaam Leven volgens Achmea').
The Supervisory Board would like to thank the Managing Board and staff of Achmea Bank for their contribution, commitment and their engagement to the bank.

Audit & Risk Committee
The Audit & Risk Committee is composed of all the members of the Supervisory Board. As of 26 September Mrs. Miriam van Dongen stepped down as Chairman of the Audit & Risk Committee and has been succeeded by Mr. Lex Kloosterman. The Audit & Risk Committee is attended by the Managing Board, Internal Audit, Head of Risk & Compliance and the external independent auditor. The Audit & Risk Committee convened on seven occasions in 2024. The following subjects were discussed at the scheduled meetings: AIRB, outsourcing, CSRD preparations, customer due diligence and transaction monitoring, the systematic integrity risk analysis (SIRA), the risk appetite statement and risk policies with regards to financial risk, operational risk, cybersecurity, compliance risk, outsourcing risks and climate related and environmental risks and opportunities.

The Audit & Risk Committee approved the internal and external audit plan and monitored the progress made in the resolution of audit issues including IT and compliance related issues. Furthermore, the Audit & Risk Committee discussed key financials, risk Reports, the reports of the specific audits of the internal auditors and the independent auditor and the DNB and AFM reports.

Finance and risk
The Supervisory Board and the Audit & Risk Committee discussed Achmea Bank's financial position and performance based on the interim and annual results, in addition to discussing and approving the Annual Report for 2023. The Supervisory Board supported the Managing Board's commitment to achieve its financial ambitions: further cost reductions while continuing to invest in excellent (digital) customer service, innovations and strategic initiatives for portfolio growth to increase financial return in the long term.

Permanent education
Every year the members of the Supervisory Board and Managing Board attend a number of permanent education (PE) meetings. In 2024 several permanent education sessions were organized for Supervisory Board members. The main topics covered in 2024 in these sessions were: Wwft (CDD), Artificial Intelligence (AI), Retail Investing and a site visit to Quion (strategic partner).

Composition of the Managing Board
As at 1 December 2024, Wendie Cornelissen has been appointed as Director of Risk Management. Arnoud Kuiper has been appointed as Director of Finance of Achmea Bank, effective on 13 January 2025.

The Managing Board of Achmea Bank consists of Pierre Huurman (Chairman), Arnoud Kuiper and Wendie Cornelissen. The Supervisory Board welcomes Mrs. Cornelissen and Mr. Kuiper to the Managing Board and is looking forward to a successful cooperation.

The current composition of the Managing Board meets the minimum criteria with respect to diversity.

Composition of the Supervisory Board
Members of the Supervisory Board are selected based on a profile, which involves having the required professional background, education, international experience, skills, diversity and independence. The composition of the Supervisory Board is such that the members can perform their duties properly based on the appropriate mix of experience and expertise.

The Supervisory Board is composed in a way that the requirements for independence are met. To avoid a conflict of interest between the Executive Board of Achmea B.V. role and the Supervisory Board role, Daphne de Kluis did not participate in parts of the Supervisory Board meetings in case such a conflict of interest could occur.

The Supervisory Board welcomes Lex Kloosterman as new member and is looking forward to his contribution on the Board.

The current composition of the Supervisory Board does not meet the minimum criteria with respect to diversity. Achmea Bank will actively consider the diversity criteria for future appointments.

Name	Nationality	Sex	Role	First appointed	Term	Next reappointment
Mr. H. Arendse (1958)	Dutch	Male	Chairman	2017	Second	Terms ends 2025
Mrs. D.C. de Kluis (1969)	Dutch	Female	Member	2021	First	2025
Mr. J.H.G. Snijders (1956)	Dutch	Male	Member	2023	First	2028
Mr. A.M. Kloosterman (1956)	Dutch	Male	Member	2024	First	2029

Self-assessment of the Supervisory Board
The Supervisory Board conducts an annual self-assessment of its own performance. In accordance with the Banking Code and best practices, the 2024 assessment is planned on 20 March 2025.

The process consisted of a dialogue within the Supervisory Board. The following topics will be addressed in this meeting: the composition and competences of the Supervisory Board, governance and information provision, supervision, performance and cooperation with the Managing Board, supervision and advice, strategy and culture and developments of the Supervisory Board.

The overall conclusion of the evaluation is positive. The Board functions well which is a further encouragement for the Supervisory Board to continue along the same lines. The Supervisory Board continued to have a balance in composition with the right experience, required for a bank with the size and complexity of Achmea Bank. There dialogue with the Managing Board is open and transparent with room for in depth discussions.

Attendance rates
The table below provides an overview of the attendance rates of the regular and extra meetings of each individual board member.

Name	The Supervisory Board	Audit & Risk Committee
H. Arendse	100%	100%
D.C. de Kluis	100%	100%
J.H.G. Snijders	100%	100%
M. van Dongen	100%	100%
A.M. Kloosterman	100%	100%

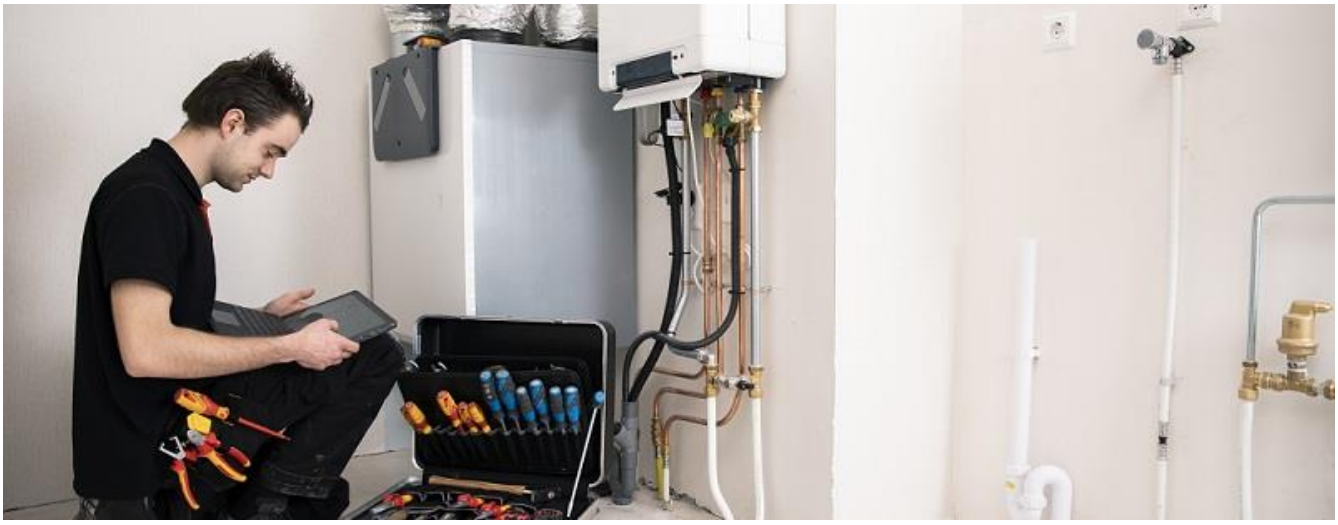
Remuneration
The Supervisory Board periodically evaluates remunerations in the context of the Achmea Group remuneration policy. Remuneration issues are discussed by the entire board rather than in a separate remuneration committee. The Supervisory Board has provided the input on the evaluation on the performance on the remuneration of the Managing Board as determined by the Group. More details regarding remuneration policies can be found in the Remuneration Report and on achmea.nl or achmea.com.

Tilburg, 13 March 2025
The Supervisory Board,

Mr. H. (Huub) Arendse, Chairman
Mr. A.M. (Lex) Kloosterman*
Mrs. D.C. (Daphne) de Kluis
Mr. J.H.G. (Hans) Snijders

* As of 16 September 2024

ENVIRONMENTAL, SOCIAL & GOVERNANCE



OUR VISION AND MISSION ON SUSTAINABILITY

'Sustainable Living. Together' is the foundation of our operations and strategy. We are aware of our societal role and actively engage with it. Due to our cooperative roots, we naturally pay attention to the long-term interests of all our stakeholders. Customers entrust us with their savings. This means we have an obligation to handle savings and investment funds carefully and to navigate a balanced and prudent course. Additionally, taking out a mortgage is one of the most important financial decisions in life. Therefore, we apply a responsible lending policy and place great importance on continuing duty of care throughout the term. We also want to help our customers make their homes more sustainable and financially prepare for climate damage. Achmea Bank chooses sustainable banking with both financial and social returns. We attach great importance to an open dialogue with all our stakeholders. This includes not only our customers and business partners but also other key stakeholders such as regulators and investors. This forms the basis of our operations and enables us to make a proper weighing of interests in the decisions we make.

Our vision

Banks play an important role in the economy and society. For Achmea Bank, this means allowing people access to housing through mortgage lending, as well as accumulating wealth through saving products and investment services. That's why it's important that we gain and maintain the trust of the customer and society. Our shared ambition is to make the Netherlands financially fit and self-reliant. It is for this reason that we want to play an active role in major issues that arise. We are discussing this with our customers, encourage them to take steps and offer them solutions to make their homes more sustainable. Durable and corporate social responsibility is therefore integral part of our strategy, which is aimed at improving both financial and create non-financial value for our stakeholders.

Our mission

We offer Dutch consumers products and services for building wealth and purchasing their own home. We aim to enable our customers making their homes more sustainable and build capital in a sustainable and accessible way.

OUR ESG-STRATEGY AND THE SUSTAINABLE DEVELOPMENT GOALS

Our ESG strategy entails three target areas that describe our contribution to a sustainable living environment (Environmental), a contribution to accessibility for all in a participatory society (Social) and reliable banking with integrity (Governance). Our aim 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 positive contribution to the sustainability of homes. We 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.

We have formulated and outlined our contribution for each target areas with our four most important stakeholders: our customers, our employees, our partners and our investors.

Commitment to and cooperation on ESG

We have measured and published the carbon impact of our mortgage portfolio from 2019 onwards in our ESG reports available on our website. Our ESG Impact Report also includes ESG targets and climate transition plans. Our climate transition plans aim to make our business and customers more resilient to the consequences of climate change and stimulating the transition to a climate neutral society. Firstly, in our business operations and as an employer, for example via our buildings and operating assets, mobility and procurement policies. Secondly, via the investments and loans on our balance sheet. Our climate transition plan is updated annually in our ESG Impact Report.

Principles for Responsible Banking

In 2021 Achmea Bank signed the Principles for Responsible Banking (PRB) and joined UNEP FI, the United Nations Environment Programme for the financial sector. Achmea Group also signed the relevant initiatives linked to insurance (Principles for Sustainable Insurance) and investments (Principles for Responsible Investments). To accomplish our ESG goals, frameworks form important resources to identify and to measure the impact of our activities on various stakeholders. Please view our ESG Impact Report 2024 on our website for more information.

Corporate Sustainable Reporting Directive (CSRD)

Achmea Bank must comply with the Corporate Sustainable Reporting Directive (CSRD), starting from reporting year 2025. In 2024, we have performed a first Double Materiality Assessment (DMA) to determine the most relevant material topics within our value chain, from both inside-out and outside-in perspectives. For 2025, the update and first official Double Materiality Assessment (DMA) is scheduled, and we will prepare our sustainability statements by further evaluating potential sustainability impacts, risks, and opportunities within our value chain, in line with CSRD requirements. This includes strategies, policies, targets, and KPIs for all identified material topics. We are also conducting stakeholder review processes among customers, employees, strategic partners, and other key stakeholders.

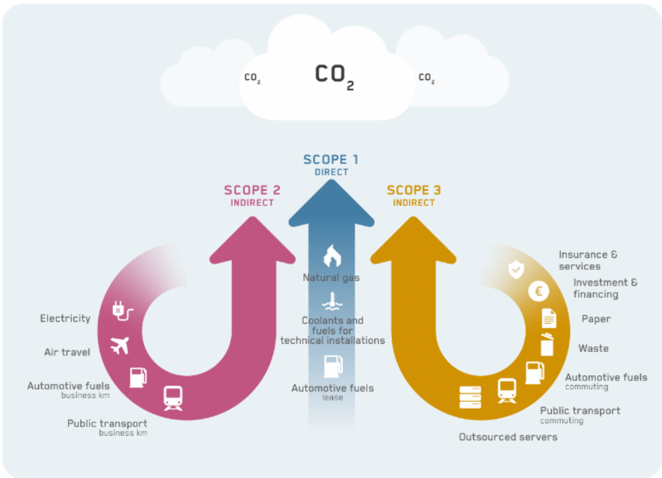
ENVIRONMENTAL

GHG protocol

The amount of greenhouse gases associated with our company's activities are expressed in 3 scopes:

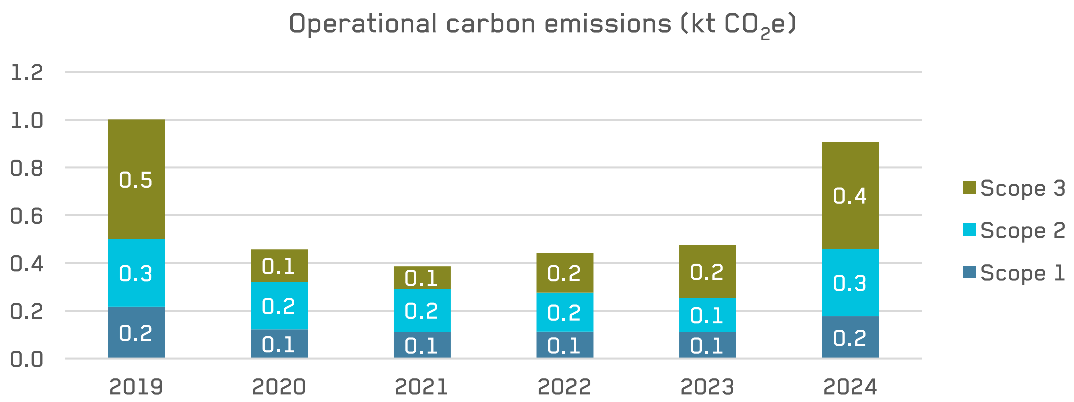
- Scope 1: direct CO_2 emissions from own sources or sources controlled by us such as buildings, transport, IT systems and data storage.
- Scope 2: indirect CO_2-emissions from the generation of purchased and consumed electricity or heat.
- Scope 3: indirect CO_2 emissions from activities, related our business operations, in our value chain. These include commuting, outsourced servers and cloud services. But also the financed emissions from our investments and lending, and our banking-associated emissions.

The carbon footprint also comprises the emissions of other greenhouse gases, such as methane, nitrous oxide or chlorofluorocarbons (CFCs). To be able to add up the impact of the individual greenhouse gases, emissions data are converted into CO_2 equivalents.



Internal operations

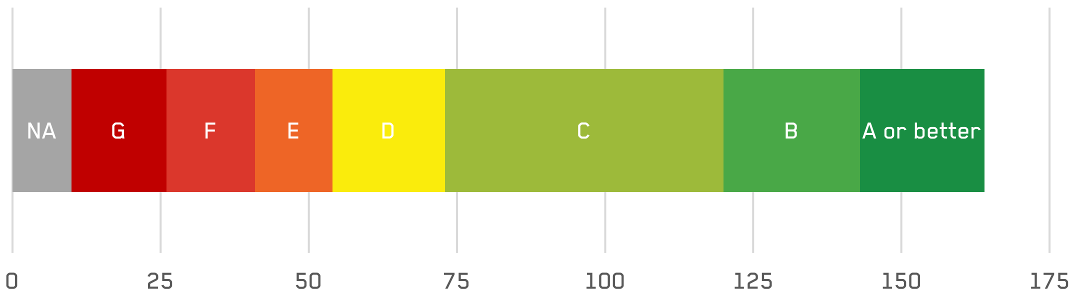
We measure the carbon footprint of our energy use, coolants use, mobility, paper consumption, waste and outsourced servers. Operational CO2 emissions of Achmea are measured excluding third parties. However, third-party companies are included in the calculation of the carbon footprint from the consumption of gas (scope 1) and electricity (scope 2).
To account for our contribution of Achmea's total operational emissions, we distribute the emissions based on the 390 FTEs (2023: 216) at Achmea Bank. The increase of FTEs, and therefore the increase in emissions, is due to the acquisition of Syntrus Achmea Hypotheekdiensten B.V. In 2024 this amounted to a total operational carbon footprint of 0.9 kt CO2e (2023: 0.4 kt). Please view our ESG Impact Report 2024 for more information on the measured emissions, our targets and transition plans.



Mortgage lending

Under the GHG Protocol, carbon emissions from investments (or financed emissions) are categorised under scope 3. As a mortgage provider, financed emissions form the largest part of our carbon footprint. Scope 1 and 2 emissions of our collateral buildings form the total financed emissions for our mortgage loans. In other words, the energy usage (electricity and natural gas) of our customers is attributed to our scope 3 emissions, only for the portion of the building that is financed by Achmea Bank. As a provider of mortgages, we have the responsibility to contribute to the reduction of the greenhouse gas emissions of the buildings that we finance. The carbon emissions from our mortgage portfolio are calculated using methodology provided by the Partnership for Carbon Accounting Financials (PCAF). PCAF is a global partnership of financial institutions that work together to develop and implement a harmonised approach to assess and disclose the greenhouse gas emissions associated with their asset classes such as loans and investments. The PCAF methodology applies estimated energy usage data from Centraal Bureau voor de Statistiek (CBS) and data from Rijksdienst voor Ondernemend Nederland (RVO) based on building characteristics, such as the EPC label, building type and floor surface area. When calculating financed emissions, a building's annual emissions are attributed to the mortgage provider using a loan-to-value approach.

Financed carbon emissions 2024 (kt CO_2e)



Economic carbon intensity displays the financed emissions in relation to the amount of outstanding loans in billion EUR. The economic carbon intensity in 2024 was 9.6 kton CO2e/bn. EUR in outstanding loans (2023: 10.8 kton CO2e/bn. EUR). Physical carbon intensity displays the financed emissions in relation to the floor surface area of financed collateral buildings in square meters (m2). The physical carbon intensity in 2024 was 24.6 kg CO2e/m2 (2023: 25.8 kg CO2e/m2). The decrease in financed emission figures stems from better EPC distribution in our portfolio and lower emission factors compared to last year. The table below also includes Assets under management that have transferred to Achmea Bank due to the acquisition of Syntrus Achmea Hypotheken B.V. as of October 1st 2024. These carbon emissions are not attributable to Achmea Bank, as they are considered as off balance.

Carbon emissions mortgage portfolio

as at 31 December 2024	Gross Carrying Amount (in millions of Euros)	In scope (in millions of Euros)	Weighted average PCAF data quality score	Financed carbon emissions (in kton CO2e)	Economic emission intensity (in kton CO2e/billions of Euros)	Physical emission intensity (in kg CO2e/m2 floor surface area)
Loans and advances	17,189	17,189	3.4	164.3	9.6	24.6
Assets under management	21,751	21,751	3.4	192.5	8.9	23.1

as at 31 December 2023	Gross Carrying Amount (in millions of Euros)	In scope (in millions of Euros)	Weighted average PCAF data quality score	Financed carbon emissions (in kton CO2e)	Economic emission intensity (in kton CO2e/billions of Euros)	Physical emission intensity (in kg CO2e/m2 floor surface area)
Loans and advances	14,278	13,669	3.7	147.7	10.8	25.8
Assets under management	-	-	-	-	-	-

Our ambition is to have a climate-neutral mortgage portfolio with net zero carbon emissions by 2050 at the latest. We want to achieve this by increasing the share of green energy labels in the mortgage portfolio, among other things by helping customers make their homes more sustainable with sustainability services and cheaper financing. In 2024 we have determined our interim goals towards 2030. Our interim ambition is to lower our carbon emission by 33% by 2030 in our mortgage portfolio compared to our base year 2022.

We investigated how our mortgage portfolio compares to a science-based climate transition path as a benchmark. Using the methodology of the Science Based Targets Initiative (SBti), we have calculated how much CO_2 reduction needs to be achieved to have a virtually climate-neutral mortgage portfolio by 2050. To do this, we used the latest transition pathways, from the Carbon Risk Real Estate Monitor (CRREM). These transition pathways are based on the 1.5°C scenario from the most recent IPCC report.

We also looked at the expected development of carbon emissions from the built environment in The Netherlands. For this we used the Climate and Energy Outlook from the PBL Netherlands Environmental Assessment Agency. In this report the government's existing and proposed plans have been used to calculate expected carbon emissions up to 2030. The forecast in this study is that carbon emissions from the built environment will be about 33% lower in 2030 than in 2022. This forecast shows that there is still a significant gap between the current development of the sustainability of the Dutch housing stock and the pace required according to climate science.

Climate & Environmental Risk Management

Climate and environmental (C&E) risk is a theme that requires increasingly more of attention within risk management. The Bank is actively improving its understanding of these risks in order to ensure that the futureproofing of our Dutch retail market-oriented business model is secured.

Achmea Bank views physical and transition C&E risks as drivers of traditional risk types, e.g. credit risk, operational risk and strategic risk. The Bank is integrating C&E risk drivers in its risk management framework. Furthermore, in 2024 Achmea Bank developed and approved a comprehensive materiality risk assessment of the impact of C&E drivers on the traditional risk types, following the 2023 initial materiality assessment. The assessments include both qualitative and quantitative elements and with different time horizons up to 10 years. Based on these actions we conclude that the impact C&E risk drivers on financial risks for Achmea Bank are not material for the short term. The potential longer-term impact of these drivers will be investigated further.

Compliance to relevant guidelines, e.g. central bank expectations in the ECB’s Guide for environmental and climate-related risks, is a focal point in our approach to C&E risk management. In this regard, our focus will be on the further integration of C&E risk into the Bank’s strategy, risk management and governance.

Financial risks

Within the financial risk domain, the focus for the (potential) material impact of C&E drivers is on retail credit risk as residential mortgages are the core assets of Achmea Bank. In 2024 the effect of energy efficiency on the property value in the Dutch housing market was investigated, follow-up research on flood risk was also conducted. Achmea Bank assessed with various internal disciplines the risks which are not yet fully covered in the ECL models and could be part of a management overlay. As of the end of 2024, Achmea Bank has formed a management overlay for physical climate risk. In addition, the macro-economic scenarios were updated with one of the key components being the climate-related policies of the Dutch government. Furthermore, for funding liquidity risk, in 2024 Achmea Bank started an investigation into the longer term C&E-driven impact on its wholesale funding.

Non-financial risks

Achmea Bank has performed a (qualitative) analysis of C&E risks in order to identify the key consequences for the Bank's strategic (business model) and operational risk. The analysis assessed the ways in which physical and transition factors can cause or amplify strategic and operational risks. For operational risk, the impact of physical risks (floods, drought, etc.) on the continuity of the mortgage, savings, investment business and Acier customer chains (including outsourced activities and IT) and reputational risk and liability risk are particularly relevant. Based on current insights, the impact of C&E risk drivers on Achmea Bank’s operational risk is assessed as not material for the time horizons (< 5 years and < 10 years) considered in the analyses. For strategic risk the analysis performed covers all relevant business areas of Achmea Bank: mortgages, savings and retail investments. Transition risk is particularly relevant. The analysis suggests that the impact of C&E risk drivers on Achmea Bank’s strategic risk is not material for the time horizons (<5 years and < 10 years) considered. As mentioned above, the impact of C&E risks on operational risk and strategic risk will be further investigated considering a long time horizon (> 10 years).

Physical risk

Physical climate-related risks of our mortgage portfolio are specific to collateral buildings. Therefore, the location and other building characteristics are relevant to the exposure to physical risks, such as:

- Foundation support (pole rot and land subsidence)
- Water nuisance (precipitation)
- Flooding (likelihood and maximum depth levels)
- Wildfires

We have acquired data to map these physical climate risks to the majority of individual collateral buildings in our portfolio. In addition, together with our partners, we are putting effort in obtaining physical climate risk data for the investment mortgage portfolios.

For non-financial risk, the focus of our analysis has been on assessing the extent to which physical climate risks could result in material disruptions to the services we provide our savings and mortgage customers. Critical and important functions are central to this, with Achmea Bank having outsourced various key operational activities to third parties. Preliminary results show that no major impact is expected in the short term.

Transition risk
Climate risks relating to the transition to the carbon neutral economy arise from changes in policies, technology or market sentiment. Transition risks are more challenging to assess and manage, since these risks impact many facets, including the macro-economy. For instance, house price developments are relevant to our mortgage portfolio. The transition is expected to impact house prices through elements such as policies, the marketability of homes with less favourable EPC labels or preferences for more efficient housing. This is expected to positively impact customers with high(er) EPC labelled buildings and may have an adverse effect on the value of houses with low(er) valued EPC labels.

It is increasingly important to provide our customers with more insight into the climate risks associated with their homes. Ideally, they should consider this in their purchasing decision. These risks may also have a greater impact on, for example, house prices and affordability in the coming years. Therefore, next year we will start exploring what information our customers need and what possibilities there are to inform them.

EU Taxonomy Regulation
As of 2025 the EU Taxonomy will be applicable to Achmea Bank, which provides a common classification system for environmentally sustainable activities. To reach the objectives of the European Green Deal, the EU Taxonomy helps companies to determine the sustainability of their economic activities. More specifically, credit institutions must determine the alignment of the exposures on the balance sheet to the climate and environmental goals within the EU Taxonomy.

On February 26, the European Commission presented the Omnibus proposal to simplify sustainability reporting rules for companies, reduce administrative burdens, and enhance European competitiveness. The Omnibus proposal includes the CSRD and the EU taxonomy. Achmea Bank has taken notice of the Omnibus proposal and is evaluating its implications for the Bank's sustainability reporting.

In 2024, Achmea Bank’s mortgage portfolio alignment to the ‘Climate Change Mitigation’ objective was calculated at 14.7%, or EUR 2,506 million in gross carrying amount (in 2023: 13.0% or EUR 1,853 million). This is based on Substantial Contribution, Do No Significant Harm and Minimum Safeguard requirements of the Climate Delegated Act. Currently, EU Taxonomy alignment is only measured for our residential mortgage portfolio, using the Dutch Energy Efficient Mortgage Framework (DEEMF) by the EEM NL Hub. Please view our ESG Impact Report 2024 for more details on how we determine EU Taxonomy alignment of our assets.

SOCIAL

Accessibility for our stakeholders
At Achmea, our purpose is ‘Sustainable Living. Together’. We strive for a sustainable and inclusive society in which we enjoy living together and no one is left out. This means that we respect human and labour rights, promote equal opportunities and increase inclusiveness. We strive to contribute to adequate housing for all. Additionally, together with our partners and peers, we work towards improving the financial wellbeing and independence of our customers and contribute to financial education of young people.

Customers
Together with our partners we play an important part in access to the Dutch housing market and financial wellbeing in Dutch society. With our mortgages, savings and investment products and services, we are relevant in the lives of more than 415.000 households. We aim to contribute to the financial wellbeing of our customers by providing an overview, understanding and actionable insights in the financial situation of our customers. But our responsibility as a lending institution also stretches beyond that. In addition to applying a responsible credit policy, we collaborate with our customers when payment problems arise to find a solution that suits the customers’ needs as well as our responsibility as a financial institution.

We are committed to sustainable home preservation for our customers. We also assist our customers in (financially) difficult times. Together with the customer, we look for a suitable mortgage solution for now and in the future. By actively supporting and guiding customers in their personal and financial situation, we strive for a future-proof solution and offer help to increase their self-reliance. In 2024, all clients with payment difficulties who have been assisted by our Special Asset Management team, 85% have recovered permanently. On average, customers rated our support an 4.4 out of 5.

Our role as employer

We have several policies in place that contribute to the wellbeing and development of our employees, like our education budget, in which Achmea is a frontrunner. Last year Achmea introduced an 'all-you-can-learn' concept, which enables employees to increase knowledge and train soft skills. We also have our internal networks for diversity, such as our LGBTQIA+ network 'Achmea Pride!' and our 'Kleurrijk Achmea' network. Achmea introduced a climate budget for all employees; the organisation provides a budget to spend €2,500 on sustainable solutions for home, household appliances or mobility.

Achmea Bank measures gender distribution levels of employees and senior management positions We have set a target to employ at least 40% of each gender in total, as well as senior management level. At year-end 2024, gender distribution among employees amounts 40% female and 60% male. The distribution in senior leading positions was 43% female and 57% male.

As part of our HR policy, our employees have four extra days off for social activities. Our aim is to empower our employees to contribute to financial literacy and wellbeing in the Netherlands. Annually, our target is to host 50 guest lessons in primary schools for the 'Bankers in the classroom' initiative of the Dutch Banking Association, for which we facilitated 31 classroom sessions in 2024.
A few years ago we introduced a 34-hour working week with the option for employees to work more or less. This flexibility offers employees the opportunity to better coordinate their work-life balance. In addition, we offer employees a free health check and support in the form of a company doctor, physiotherapist, psychologist, dietician and work/life coach. We also believe it is important that our employees remain financially fit. Therefore, we have a financial safety net for and by colleagues: the Achmea Social Security Fund (SVA). Employees can turn to SVA if they are confronted with unforeseen costs resulting from unforeseen circumstances, such as a divorce or the death of a partner.

Partners

Our social responsibility also stretches to our partners with whom we work to deliver our services. Achmea Bank ensures that our outsourcing partners act according to ethical norms and international standards for labour and human rights, including the prohibition of child labour. Our most important target in this aspect, is to continue working according to our policies on these issues in our procurement activities, which are outlined in Achmea Group's Sustainability Statement. As part of the Achmea Group, we are a company with cooperative roots, which has a longstanding history in social and sustainable contributions to society. It is also in our investors' interest that their investments are allocated to these contributions.

GOVERNANCE

Integration of our ESG values

Our joint ambition with Achmea Group is to create sustainable value for our customers, employees, company and society at large through our 'Sustainable Living. Together' vision. Sustainable value creation also means that we assume responsibility to contribute to achieving the global climate goals. Achmea Bank works together with the other divisions of Achmea Group but also has its own initiatives and responsibilities for our own specific focus area. We collaborate within Achmea on themes wherever this offers added value, such as internal business operations, sustainability policies and legislation, communication and creating internal awareness. This is done via the 'Sustainable Living. Together' programme, under the responsibility of the Executive Board of Achmea B.V.
In addition to Achmea's 'Sustainable Living. Together' programme, Achmea Bank has its own governance structure for embedding and anchoring ESG into its culture, products and activities. Achmea Bank genuinely believes that we have a social responsibility to contribute to combating climate change. ESG governance is an important theme within our organisation. Under the influence of our strategy, purpose and legislative frameworks, ESG will increasingly become more integrated into our business operations. Therefore, managing ESG will increasingly requires integration into all aspects of the organization. This is still an ongoing process in which we keep adapting to new developments and requirements.

Achmea Bank wants to contribute to the energy transition through our role as a mortgage provider. As a bank, we enable consumers to make their homes more sustainable by providing mortgages, green loans and Extra-Saving Budget. We offer inclusive financial products and communicate in a transparent and accessible way. Within the next years we are keen on further explore and act in the field of activating and helping consumers to actually make their houses more sustainable. Given the complexity of these challenges, we believe that collaboration between Achmea, its partners, society and the government is essential for success.
Within Achmea Bank, the ESG theme falls under the responsibility of the Chairman of the Managing Board. An ESG Officer is appointed who acts as the coordinator and advisor of the ESG themes within Achmea Bank. The ESG Officer also has a collaborative relationship with the ESG director at Achmea group level. We believe climate-related issues are most effectively managed when incorporated in existing processes. This includes expanding the areas of attention of existing risk committees with C&E-related risks

as these have an impact on the bank's traditional risk types. The Management Team ensures the implementation of sustainability decisions across the Bank and in their own domains, and approves implementation plans for key sustainability topics. The Management Team is mandated to guide and align the different sustainability activities within Achmea Bank; the formal approval of sustainability policies follows the regular governance, e.g. Credit Committee and Finance & Risk Committee. To properly integrate ESG values into our policies, we also continuously educate our Managing Board, Supervisory Board, senior management and other internal stakeholders.

Dialogue with our customers

We want to learn from our customers, by engaging through for example customer arenas. With our brand Centraal Beheer, we have done this in the past year, for example for topics such as the use of the construction deposit, execution only, the mortgage check and the further development of the 'my Centraal Beheer environment' for mortgage customers. In addition, we constantly measure the customer engagement: how do customers value our online services? How easy is it to use and can they easily find what they are looking for? We actively keep developing our offer and improve it based on the feedback.

The dialogue is constituted in e.g. our customer board, which ensures that our customers are actively involved in the development of new services, products and communication efforts. To assess whether customer satisfaction reflects these efforts, we consistently measure our net promotor scores (NPSs) for various processes. An important target for us is customer loyalty and the NPS of our savings and our mortgage processes, as these are the bank's core activities. The level of loyalty (NPS) is measured by our distribution partner Centraal Beheer. In 2024 the actual NPS for mortgages and savings was 32 (2023: 32).

Talent development and wellbeing of our employees

Investing in talent development is important for us. For example, in the past few years we have made efforts to improve work-life balance by introducing and implementing a 34-hour working week. We want to help colleagues to do their best work, and we want to be regarded as an employer where all can thrive. Therefore, we measure the involvement of our employees in our yearly employee engagement survey. We strive for a score of 8/10 on both the 'enthusiasm' and the 'development and deployment of talent' metrics. In 2024, the scores of these metrics were 7.9 on enthusiasm (2023: 7.9) and 8.5 on employability (2023: 8.5).

Transparency for investors and stakeholders

Achmea Bank has a wide range of capital and liquidity sources. These includes savings, secured and unsecured funding programmes. We believe that the best way to maintain excellent relationships with our stakeholders and the wider financial community is through open and honest dialogue. We have an accessible investor relations team and conduct active dialogue with our investors. We strive to balance the interests of all stakeholders while honouring long-term commitments to our customers. In terms of governance, our aim is for maximum transparency by reporting on our ESG-metrics and external ESG ratings and strive to implement any feedback that these ratings may provide to improve our efforts. In 2024, our ESG risk rating by Sustainalytics was 21.5 or medium risk (2023: 20.9 or medium risk).

Customer due diligence

In order to prevent the risks of violation of, among others, the Sanctions Act, and the risk of clients using our products for money laundering and terrorist financing (explicated in the Wwft), Achmea Bank carries out customer due diligence in advance of the onboarding process for new customers. In doing so, we examine, among other criteria, who the ultimate stakeholders are and what are the activities within the legal entity. We also carry out checks during the term of the agreement and in the event of payments. If there is a hit of a customer that is on the sanctions lists, we freeze the assets of the customer and report to the regulator. In case unusual transactions are detected, we report to the Financial Intelligence Unit. By following these processes, we comply to our Customer Due Diligence (CDD) policy in which Achmea Bank has defined its principles, frameworks and guidelines for the management of integrity risks.

ACHMEA BANK N.V. CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IN THOUSANDS OF EUROS			
AS AT		31 DECEMBER 2024	31 DECEMBER 2023
	NOTE		
Assets			
Cash and balances with Central Banks	9	1,191,104	598,670
Loans and advances to banks	10	583,468	637,468
Derivative assets held for risk management	8	327,471	370,676
Loans and advances to public sector	11	560	583
Loans and advances to customers	4	17,142,305	14,132,458
Interest-bearing securities	12	–	30,822
Current tax assets	15	9,377	–
Prepayments and other receivables	13	288,298	155,057
Deferred tax assets	17	1,269	9,326
Total Assets		**19,543,852**	**15,935,060**
Liabilities			
Deposits from banks	14	387,294	360,938
Derivative liabilities held for risk management	8	416,257	437,194
Funds entrusted	5	10,869,302	9,377,098
Current tax liabilities	15	–	13,454
Accruals and other liabilities	16	91,344	80,197
Debt securities issued	6	6,907,805	4,830,360
Subordinated liabilities	19	–	1,191
Provisions	18	19	37
Total Liabilities		**18,672,021**	**15,100,469**
Share Capital		18,152	18,152
Share premium		505,609	505,609
Other reserves		279,930	250,726
Net profit for the period		68,140	60,104
Total Equity	**20**	**871,831**	**834,591**
Total Equity and Liabilities		**19,543,852**	**15,935,060**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

IN THOUSANDS OF EUROS			
FOR THE YEAR ENDED 31 DECEMBER		2024	2023
	Note(s)		
Interest income calculated using the effective interest method	7	535,615	413,579
Other interest income	7	160,301	110,983
Interest expenses calculated using the effective interest method	7	358,248	233,277
Other interest expenses	7	109,068	86,475
Interest margin	**7**	**228,600**	**204,810**
Changes in fair value of financial instruments	8	−4,278	−8,476
Interest margin and changes in fair value of financial instruments		**224,322**	**196,334**
Other income	22	533	1,005
Fees and commission income	23	16,919	6,306
Fees and commission expense	23	4,179	5,619
Net fees and commission income	**23**	**12,740**	**687**
Operating income		**237,595**	**198,026**
Impairment of financial assets	4	1,430	2,110
Staff costs	24/25/26	38,646	29,255
Other operating expenses	24/25/26	105,678	85,658
Total expenses		**145,754**	**117,023**
Operating profit before taxes		**91,841**	**81,002**
Income tax expense	27	23,701	20,899
Net profit for the period		**68,140**	**60,104**
Other comprehensive income/expense net of income tax		–	–
Total comprehensive income for the period		**68,140**	**60,104**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED	SHARE CAPITAL	SHARE PREMIUM	OTHER RESERVES	LEGAL RESERVE	NET PROFIT FOR THE PERIOD	TOTAL EQUITY
IN THOUSANDS OF EUROS						
Balance at 1 January 2024	**18,152**	**505,609**	**244,600**	**6,126**	**60,104**	**834,591**
Net profit for the period	**–**	**–**	**–**	**–**	**68,140**	**68,140**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**68,140**	**68,140**
Dividends paid	–	–	−30,900	–	–	−30,900
Appropriation of profit 2023	–	–	60,104	–	−60,104	–
Release legal reserve	–	–	761	−761	–	–
Total contributions by and distributions to Shareholders	**–**	**–**	**29,965**	**−761**	**−60,104**	**−30,900**
Balance at 31 December 2024 (note 20)	**18,152**	**505,609**	**274,565**	**5,365**	**68,140**	**871,831**
Balance at 1 January 2023	**18,152**	**505,609**	**245,704**	**7,001**	**13,415**	**789,881**
Net profit for the period	–	–	–	–	60,104	60,104
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**60,104**	**60,104**
Dividends paid	–	–	−2,000	–	−13,394	−15,394
Appropriation of profit 2022	–	–	21	–	−21	–
Release legal reserve	–	–	875	−875	–	–
Total contributions by and distributions to Shareholders	**–**	**–**	**−1,104**	**−875**	**−13,415**	**−15,394**
Balance at 31 December 2023 (note 20)	**18,152**	**505,609**	**244,600**	**6,126**	**60,104**	**834,591**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER			
IN THOUSANDS OF EUROS		2024	2023
Cash flow generated from operating activities	**Note(s)**		
Operating profit before taxes		91,841	81,002
Adjustments for non-cash items in the result:			
Impairment on financial instruments and other assets	4	1,430	2,110
Changes in fair value of financial instruments	8	4,278	8,476
Other non-cash items		253,607	163,809
Total Adjustments for non-cash items in the result:		**259,315**	**174,395**
Income tax paid	**27**	**−39,328**	**−7,566**
Changes in operating assets and liabilities:			
Loans and advances to banks	10	63,564	−139,180
Loans and advances to public sector	11	23	23
Loans and advances to customers	4	−2,192,384	−1,239,308
Prepayments and other receivables	13	−122,792	−15,172
Deposits from banks	14	26,356	−776,978
Funds entrusted	5	1,310,058	1,185,346
Accruals and other liabilities	16	-7,060	6,415
Derivatives	8	−4,875	−16,740
Provisions	18	−18	14
Debt securities issued	6	27,559	18,467
Interest-bearing securities	12	–	−29,486
Subordinated liabilities	19	−57	–
Total Changes in operating assets and liabilities:		**−899,626**	**−1,006,599**
Net cash flow generated from operating activities (1)		**−587,798**	**−758,768**
Cash flow generated from investing activities			
Investments in mortgages	3	−732,890	−753,924
Acquisition Syntrus Achmea Hypotheekdiensten B.V.		−2,869	–
Interest-bearing securities sold		31,308	–
Net cash flow generated from/(used in) investing activities (2)		**−704,451**	**−753,924**
Cash flow generated from financing activities			
Repayments of Debt securities issued	6	−1,571,500	−868,604
Issues of Debt securities issued	6	3,486,296	2,077,845
Total cash flow from Debt securities issued		**1,914,796**	**1,209,240**
Subordinated liabilities outflow	19	−1,134	–
Dividend Payment		−30,900	−15,394
Net cash flow generated from/used in financing activities (3)		**1,882,761**	**1,193,846**
Net cash flow (1) + (2) + (3)		**590,512**	**−318,846**
Cash and cash equivalents and loans and advances to bank on demand as at 1 January		618,197	937,043
Cash and cash equivalents and loans and advances to bank on demand as at 31 December		1,208,709	618,197
Movements in cash and cash equivalents		**590,512**	**−318,846**
Reconciliation of movement in Cash and cash equivalents			
Cash and balances with Central Banks	9	592,434	−175,577
Loans and advances to banks on demand	10	−1,921	−143,269
		590,512	**−318,846**
Additional information on operational cash flows from interest and dividends			
interest received	7	350,874	506,613
Interest paid	7	−41,351	−253,788
		309,523	**252,825**

GENERAL

A. GENERAL INFORMATION

Achmea Bank N.V. is located at Spoorlaan 298, Tilburg (the Netherlands), with its registered office in The Hague (the Netherlands). It is registered at the Chamber of Commerce under number 27154399. The number of employees was 390 FTEs on 31 December 2024 (2023: 216 FTEs). The core products of Achmea Bank N.V. (‘the Bank’ or ‘Achmea Bank’) consist of savings and investment products for private individuals and residential mortgage loans for the Dutch market. The shares of Achmea Bank are held by Achmea B.V.

The Bank’s consolidated financial statements for 2024 consist of the financial statements of all group companies in which the Bank has a controlling interest. Reference is made to paragraph H. Basis of consolidation for an overview of the group companies.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied uniformly for all periods presented in these consolidated financial statements and by all group entities, unless otherwise stated.

The consolidated financial statements are presented in Euros, which is the parent company’s functional currency.

C. AUTHORIZATION FINANCIAL STATEMENTS

The Bank´s consolidated financial statements (including standalone financial statements) for the year ended 31 December 2024 were prepared by the Managing Board and authorised for issue, after approval by the Supervisory Board on 13 March 2025. The financial statements will be submitted for adoption to the General Meeting of the company. The General Meeting is permitted to amend the financial statements.

D. BASIS OF PRESENTATION

The Bank´s consolidated financial statements 2024 have been prepared in accordance with the International Financial Reporting Standards - including International Accounting Standards (IAS) and Interpretations - as adopted by the European Union (hereafter EU and EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

Achmea Bank split the explanatory notes into the chapter 'notes to statement of financial position and income statement items' and other items. The notes relating to Achmea Bank's core activities are included in 'significant parts of the statement of financial position and income statement' and the remaining notes that do meet the criteria for quantitative and qualitative relative importance in the chapter ‘Other notes’.

The specific accounting principles for individual statement of financial position and income statement items are disclosed in the explanatory notes.

The Bank’s consolidated financial statements 2024 have been prepared on a going concern basis. Achmea Bank concludes that its capital and liquidity position is adequate to support the going concern assumption.

E. INITIAL APPLICATION OF ACCOUNTING POLICIES

The following new standards, amendments to standards and interpretations issued by the International Accounting Standard Board (IASB) were adopted as of 1 January 2024. These have no significant impact on Total equity as per 31 December 2024, Net result for 2024 and comparative figures of Achmea Bank N.V.:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current, Classification of Liabilities as Current or Non-Current – Deferral of Effective Date, Non-current Liabilities with Covenants;
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback;
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements.

F. ALL CHANGES IN STANDARDS AND AMENDMENTS WITH FUTURE APPLICATION DATE

On 9 April 2024, the IASB issued the new standard IFRS 18: Presentation and Disclosure in Financial Statements with an effective date of 1 January 2027. Among other things, IFRS 18 requires a modified presentation of the statement of profit and loss and statement of cash flows, including prescribed subtotals for operating result and result before financing and income taxes. An explanation must be given of the performance indicators defined by management (management-defined performance measures or MPMs) used in the statement of profit and loss, as well as a numerical reconciliation with the IFRS (sub)totals in the statement of profit and loss.

The impact of this new standard on the presentation and disclosures in Achmea Bank N.V.'s consolidated financial statements will be further investigated.

In addition, the following amendments to standards with a future application date have been issued in recent years. The effective date of these amendments is 1 January 2025 or later and when applied will have no impact on Total equity, Net result and no or limited impact on the presentation and notes of Achmea Bank:
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (effective date 1 January 2025);
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (effective date 1 January 2026);
- Annual Improvements Volume 11 (effective date 1 January 2026).

G. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND PRESENTATION

The preparation of these financial statements involves the use of estimates and assumptions that may differ from the actual outcome. No material adjustments regarding the estimation methods were made in 2024 compared to the consolidated financial statements 2023 of Achmea Bank N.V.

H. PRIOR PERIOD CORRECTIONS AND CHANGES IN PRESENTATION

In 2024, no other material changes with regard to accounting policies, changes in presentations and corrections for previous periods have been made in comparison with the Consolidated Financial Statements of Achmea Bank N.V. of 2023.

I. CONSOLIDATION

Basis of consolidation

Subsidiaries are all entities over which the Bank has control (based on the requirements of IFRS 10). The Bank controls an entity when the Bank is exposed to, or has rights to, the variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Bank and deconsolidated from the date that control ceases.

The consolidated financial statements of the Bank include the financials figures of the following companies:
- Syntrus Achmea Hypotheekdiensten B.V. *
- Achmea Hypotheken B.V.*
- Attens Hypotheken B.V.*
- Securitised Residential Mortgage Portfolio I B.V. (shares are held by Stichting Holding SRMP I) **
- Securitised Residential Mortgage Portfolio II B.V. (shares are held by Stichting Holding SRMP II) **
- Achmea SB Covered Bond Company B.V. (shares are held by Stichting Achmea SB Covered Bond Company)
- Achmea SB Covered Bond Company II B.V. (shares are held by Stichting Achmea SB Covered Bond Company II)
- Stichting Trustee Achmea Bank
- Stichting Incasso Achmea Hypotheken

* as of 1 October 2024

** notes are redeemed in 2024, the entity is in the process of liquidation

All consolidated companies have their registered office in Amsterdam except for Stichting Trustee Achmea Bank which has its registered office in The Hague.

The companies Syntrus Achmea Hypotheekdiensten B.V. and her two subsidiaries Achmea Hypotheken B.V. and Attens Hypotheken B.V., were acquired by Achmea Bank per 1 October 2024.

The Special Purpose Vehicles (‘SPV’) Securitised Residential Mortgage Portfolio I B.V. and Securitised Residential Mortgage Portfolio II B.V. are companies set up by the Bank for securitisation purposes of residential mortgage loans. There are no representatives of the Bank in the boards of these entities.

In 2021 Achmea Bank set up an EUR 5 billion Soft Bullet Covered Bond Programme (“SBCB”). The shares of Achmea SB Covered Bond Company B.V. are held by Stichting Achmea SB Covered Bond Company.

In November 2023 Achmea Bank set up an additional EUR 5 billion Retained Soft Bullet Covered Bond Programme (SBCB2). The shares of Achmea SB Covered Bond Company B.V. are held by Stichting Achmea SB Covered Bond Company II.

The Bank has a Trust agreement with Stichting Trustee Achmea Bank. Under this Trust agreement the Bank periodically pledges mortgage receivables to Stichting Trustee Achmea Bank as collateral for liabilities of the Bank.

Stichting Incasso Achmea Hypotheken has been set up to collect and distribute payments on the mortgage receivables to the Bank and related group companies mentioned above.

The above-mentioned companies are consolidated in accordance with the criteria of IFRS 10 Consolidated Financial Statements.

All transactions with group companies are at arm’s length.

When the Bank loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and other components of equity. Any resulting gain or loss is recognised in the income statement. Any interest retained in the former subsidiary is measured at fair value once control is lost.

Elimination of intergroup transactions and accounts

Intragroup accounts and any unrealised gains and losses on transactions within the Bank or income and expenses from such transactions are eliminated.

Segment information

In the internal reports used by the Managing Board to allocate resources and monitor performance targets to the operating segment, Achmea Bank is managed as a single operating segment.

Consolidated statement of cash flows

The Consolidated Statement of Cash Flows has been set up according to the indirect method. Cash and cash equivalents comprise cash, bank balances and call deposits (incl. overnight deposits). Bank overdrafts that are repayable on demand and form an integral part of Achmea Bank’s cash management processes are recognised as a component of Cash and cash equivalents.

Business combinations of entities under common management

For reporting business combinations of entities or business under common management, Achmea Bank uses the ‘pooling of interest’ method in the case of a legal merger and ‘carry over’ method (transfer based on carrying amount) in the case of an acquisition. Such transactions have no effect on Achmea Bank’s Net result and Total equity.

J. RECOGNITION, DERECOGNITION AND MEASUREMENT

Recognition of financial assets and liabilities

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognised on the trade date, i.e., the date on which the Bank becomes a party to the contractual provisions of the instrument. This includes regular trades, i.e., purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace. Achmea Bank recognises the instrument at fair value including transaction cost (unless the financial instrument is classified as 'At fair value through profit or loss'). A financial liability is recognised on the consolidated statement of financial position when it is probable that an outflow of economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

A financial asset (or part of a financial asset) is derecognised when the contractual rights to receive cash flows from the financial asset have expired or when the Bank has transferred substantially all risks and rewards of ownership. The asset will also be derecognised if the Bank does not have or no longer has control over the asset, even if the Bank does not transfer or retain the risks and rewards related to an asset.

In transfers where control over the asset is retained, the Bank continues to recognise the asset to the extent of its continuing involvement. The extent of continuing involvement is determined by the extent to which the Bank is exposed to changes in the value of the asset. Upon derecognition, the difference between the disposal proceeds and the carrying amount is recognised in the Income Statement as a realised gain or loss.

Derecognition of financial liabilities

Financial liabilities are derecognised from the consolidated statement of financial position when the obligation is extinguished, i.e. when the contractual commitment is fulfilled, dissolved or expires.

On derecognition, the difference between the disposal proceeds and the carrying amount is recognised in the statement of comprehensive income as a realised gain or loss.

Derecognition of financial assets due to substantial modification of terms and conditions

In some situations, Achmea Bank renegotiates or otherwise modifies the contractual cash flows of financial assets and liabilities. When this happens, Achmea Bank assesses whether or not the new terms are substantially different to the original terms. Achmea Bank does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay;
- Significant extension of the loan term when the borrower is not in financial difficulty;
- Significant change in the interest rate;
- Change in the currency the loan is denominated in.

The Bank assumes that there is a substantial modification if the net present value of the contractual cash flows after modification, differs by more than 10% for the net present value of the contractual cash flows before modification.

When the terms are substantially different, Achmea Bank derecognized the original financial asset or liability and recognizes a ‘new’ asset or liability at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, Achmea Bank also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

Modifications (that do not result in derecognition)

When the modification of the terms of an existing financial liability is not judged to be substantial and, consequently, does not result in derecognition, the amortised cost of the financial liability is recalculated by computing the present value of estimated future contractual cash flows that are discounted at the financial liability’s original effective interest rate. For the classification if terms are not substantially different, the Bank uses the difference in net present value as best indication. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

Derecognition of financial liabilities due to substantial modification of terms and conditions

When the modification of the terms of an existing financial liability is not judged to be substantial and, consequently, does not result in derecognition, the amortised cost of the financial liability is recalculated by computing the present value of estimated future contractual cash flows that are discounted at the financial liability’s original effective interest rate. Any resulting difference is recognised immediately in profit or loss. For financial liabilities, the Bank considers a modification to be substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, 10%.

Measurement

At initial recognition, Achmea Bank measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not measured at fair value through profit or loss (FVtPL), transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at fair value through Other Comprehensive Income (FVOCI), as described in note 8, which results in an accounting loss being recognised in the income statement when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the Bank recognizes the difference as follows:

- When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is amortised over the remaining economic life of the instrument.

Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When available, the Bank measures the fair value of an instrument using quoted prices in an active market for that instrument (level 1). A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm’s length basis.

If a market for a financial instrument is not active, the Bank calculates fair values using valuation techniques (level 2 and 3). Valuation techniques include using recent at arm’s length transactions between knowledgeable, willing parties (if available), references to the current value of other instruments that are substantially the same and discounted cash flow analyses. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specifically related to Achmea Bank, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Bank calibrates valuation techniques and validates them by using prices and prescribed interest rate curves from observable and market transactions in the same instrument.

Fair value through OCI measurement

Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument’s amortised cost which are recognised in profit or loss. When the debt instrument is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in ‘Net Investment income’. Interest income from these financial assets is included in ‘Interest income’ using the effective interest rate method.

Classification and measurement of financial assets

Achmea Bank has applied IFRS 9 and classifies its financial assets in the following measurement categories:
- Fair value through profit or loss (FVtPL)
- Fair value through Other Comprehensive Income (FVOCI)
- Amortised cost

A financial asset is measured at amortised cost when it meets both of the following conditions and is not designated at FVtPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only when it meets both of the following conditions and is not designated at FVTPL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at Fair Value through Other Comprehensive Income (FVOCI) at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

Financial assets should be classified and measured in accordance with the business models of Achmea Bank as well as by the type of contractual cash flows of the underlying financial assets. Both elements determine whether they will be measured at Amortised Cost (AC), Fair Value through Other Comprehensive Income (FVOCI) or Fair Value through Profit or Loss (FVtPL).

The Bank makes an assessment of the objective of a business model in which an asset is held at a portfolio level as this best reflects the way the business is managed and information is provided to management. The information considered includes:
- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of assets;
- how the performance of the portfolio is evaluated and reported to the Bank's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed as such whose performance is evaluated on a fair value basis are measured at FVtPL as they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Bank changes its business model for managing financial assets.

Assessment whether contractual cash flows are solely payments of principal and interest

In assessing whether the contractual cash flows are solely payments of principal and interest, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

Impairment of financial assets

The Bank recognizes loss allowances for expected credit losses (ECL) on all financial instruments that are not measured at FVTPL. The Bank uses a three-stage model: 12 Month expected credit losses for performing loans (stage 1), lifetime expected credit losses for under-performing financial assets (stage 2) and lifetime expected credit losses for non-performing financial assets (stage 3).

The highlights of the three-stage model for impairment are:

- A financial instrument that is not credit impaired on initial recognition is classified in Stage 1 and has its credit risk continuously monitored by the Bank;
- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit impaired;
- If the financial instrument is non-performing, the financial instrument is then moved to Stage 3;
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis;
- Purchased or originated credit impaired financial assets are those financial assets that are credit impaired on initial recognition. Their ECL is always measured as a stage 3 on a lifetime basis;

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

IFRS 9 permits a bank to assume, without further analysis, that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have 'low credit risk' at the reporting date. For low-risk instruments for which the simplification is used, the entity would recognize an allowance based on 12-month ECL (IFRS 9.5.5.10). The Bank considers a financial asset to have low credit risk when their credit risk rating is equal to the globally understood definition of 'investment grade'. For these financial assets the Bank doesn't use a 3 stages ECL model to calculate the impairment charges. Further details are disclosed in the Risk Management paragraph, section Credit Risk.

Impairment off balance exposure

The provision for off balance exposures such as construction deposits and undrawn credit facilities of credit mortgages have been calculated based on the undrawn exposure and calculated based on the above mentioned three-stage model for impairments. The provision for loan commitments have been calculated by covering exposures with the same coverage ratio as the 12-month ECL from stage 1, as commitments have a maximum maturity of 12 months.

Offsetting of financial instruments

Financial assets and liabilities are netted in the consolidated statement of financial position if Achmea Bank:

- has a legally enforceable right to offset the asset and the liability; and
- intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Foreign currency

Monetary assets and liabilities in foreign currencies are converted into Euros at the exchange rate prevailing on the balance sheet date. The realised and unrealised translation gains or losses are recognised in the consolidated statement of comprehensive income.

Income and expenses as well as non-monetary assets and liabilities arising from transactions in foreign currencies are converted at the exchange rate on the transaction date.

K. CRITICAL ESTIMATES AND JUDGEMENTS USED IN APPLYING THE ACCOUNTING POLICIES

The preparation of the financial statements in accordance with IFRS requires judgements by management. Management makes estimates and assumptions affecting the application of accounting policies and the reported amounts of assets and liabilities and of income and expenses. These estimates and assumptions are based on historical data and various other factors that are considered reasonable in the circumstances. The results of this process form the basis for judgements regarding the carrying amounts of assets and liabilities where the carrying amount cannot be derived from other sources. The actual figures may differ from these estimates.

The estimates and underlying assumptions are evaluated on an ongoing basis. The effects of the revisions of estimates are recognised in the year in which the revision takes place.

Any assumptions made by Management in the application of IFRS which have a significant impact on the financial results of current or future years are disclosed in the relevant notes and mentioned below.

Measurement Expected credit loss

The measurement of the ECL for loans and other debt financial assets not held at FVPL (i.e. AC and FVOCI), together with loan commitments and financial guarantee contracts (off-balance sheet items)is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further explained in the risk management paragraph, section credit risk. This paragraph includes the sensitivity analysis of the expected loss models for the mortgage portfolios.

Fair value derivatives

The fair value of the derivatives held for risk management may fluctuate significantly from time to time due to fluctuations in market rates and is calculated by using a valuation model. Although the valuation model makes maximum use of observable market inputs and limits the use of estimates made by the Bank, determining fair value for these types of instruments is considered to be complex and subject to management estimates in choosing the appropriate observable market inputs and deriving indirect price indices for unobservable elements. The risk management paragraph includes further explanation on the calculation the fair value values of financials assets and liabilities including their inherent uncertainties and applied sensitivity analyses.

Hedge accounting

The Bank uses derivatives as part of its risk management. Derivatives are for hedging instruments on the interest rate risk in its mortgage portfolio (macro hedge) as well as on the interest rate risk related to debt securities issued (micro hedge). For the application of fair value hedge accounting, the Bank documents the relationship between the hedging instruments and the hedged items or positions, as well as the risk management objective and strategy at the inception of the transaction. The fair value of the hedged item (mortgage portfolio or debt securities issued) may fluctuate significantly from time to time due to fluctuations in market rates and is calculated using a valuation model. The valuation model makes maximum use of observable market inputs and limits the use of estimates made by the company.

Fair value Loans and advances to customers

The fair value of Loans and advances to customers is based on the present value of expected future cash inflows, using current market interest rates. The interest rate is based on the money market and capital market, both of which are in the public domain. If possible, the Bank makes use of reference rates that are observable in these markets.

Reference is made to note 21 of the Consolidated Financial Statements for the disclosure of the fair value of the other financial assets and liabilities.

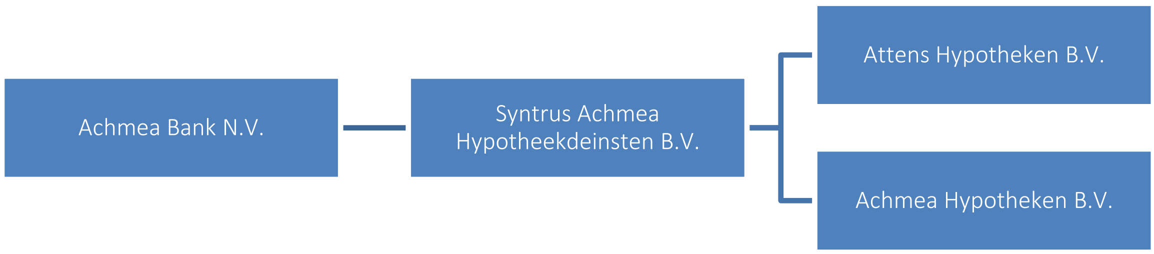
1. RESTRUCTURING MORTGAGE ACTIVITIES WITHIN ACHMEA

As of 1 October 2024, Achmea has split the mortgage and real estate activities of Achmea Real Estate B.V. at the time being named Syntrus Achmea Real Estate & Finance B.V. As a result of this restructuring the entity Syntrus Achmea Hypotheekdiensten B.V. will continue its activities, origination and servicing of mortgages, as a subsidiary of Achmea Bank N.V. Achmea Bank N.V. acquired 100% of the shares of Syntrus Achmea Hypotheekdiensten B.V. The two subsidiaries of Syntrus Achmea Hypotheekdiensten B.V., Achmea Hypotheken B.V. and Attens Hypotheken B.V., are therefore also transferred to Achmea Bank.

This acquisition qualifies as a business combination under common control. Achmea Bank N.V. applied carry over accounting, all assets and liabilities have been transferred to Achmea Bank N.V. at book value on acquisition date (October 1, 2024). The purchase prices of the shares equals to the net asset value on acquisition date. The purchase price has been paid in cash.

Achmea Bank has taken over the credit facility with Syntrus Achmea Hypotheekdiensten B.V., amounting to EUR 19 million. The credit facility will mature at the end of 2026.

The impact of the acquisition on the legal structure of Achmea Bank N.V. is:



Syntrus Achmea Hypotheekdiensten B.V.
Syntrus Achmea Hypotheekdiensten B.V. was founded in February 2015. Its activities mainly consist of offering credit facilities and providing and servicing mortgage loans. Syntrus Achmea Hypotheekdiensten B.V. holds 100% of the shares of Attens Hypotheken B.V. and Achmea Hypotheken B.V.

Attens Hypotheken B.V.
The activities of Attens Hypotheken B.V. consist of offering credit facilities and providing and servicing mortgage loans.

Achmea Hypotheken B.V.
The activities of Achmea Hypotheken B.V. consist of offering credit facilities and providing and servicing mortgage loans.

Impact on the 2024 consolidated financial figures

The consolidated financial figures of Achmea Bank N.V. per December 2024 includes the figures of Syntrus Achmea Hypotheekdiensten B.V. and her two subsidiaries Achmea Hypotheken B.V. and Attens Hypotheken B.V.

The acquisition balance at acquisition date (1st of October 2024) is presented in the table below:

ACQUISITION BALANCE AT ACQUISITION DATE

IN THOUSANDS OF EUROS	
AS AT INITAL RECOGNITION	
Loans and advances to banks	11,479
Prepayments and other receivables	10,450
Total assets	**21,929**
Current tax liabilities	853
Accruals and other liabilities	18,207
Total liabilities	**19,060**
Shareholders' equity	**2,869**
Total equity and liabilities	**21,929**

Prepayments and other receivables consists of EUR 10 million origination and servicing fee to be received from Achmea Bank. Accruals and other liabilities consists of EUR 12 million outstanding credit to Syntrus Achmea Real Estate & Finance B.V. related to the credit facility. As mentioned above Achmea Bank has taken over this credit facility with Syntrus Achmea Hypotheekdiensten B.V. after purchasing the shares. Loans and advances to banks consists of bank accounts.

2. RISK MANAGEMENT

This chapter provides insight into the Bank's capital position, financial risks, non-financial risks and the way Achmea Bank manages these risks. In this chapter, we provide the information that is required based on IFRS 7 and IAS 1.

This chapter describes the Bank's:

A. Risk management
B. Credit risk
C. Market risk
D. Liquidity risk and funding strategy
E. Capital management
F. Operational risk (including cyber security, compliance, fraud and privacy)
G. ESG (Climate & Environmental, Social and Governance) risk

A. Risk management

Developments in 2024

This section provides an overview of the developments in 2024 in the area of risk management.

Where in paragraphs A. and F. reference is made to Achmea Bank, this includes, due to the acquisition as of October 1, 2024, the subsidiary Syntrus Achmea Hypotheekdiensten B.V. and the two subsidiaries of Syntrus Achmea Hypotheekdiensten B.V., Achmea Hypotheken B.V. and Attens Hypotheken B.V.

Each year, the management of Achmea Bank conducts a Strategic Risk Assessment to identify key risks which may be of concern for achieving the Bank's strategy and business goals. The composition of the updated strategic risk profile, notably the key risks identified in achieving the strategy, takes into account the changes in our environment, such as changing focus of society and governmental parties with regard to sustainability, increasing cyber security risks and the changing interest rate environment. In the assessment the strategic risks stemming from the new responsibility for Syntrus Achmea Hypotheekdiensten was also taken into account.

Macro-economic developments

The Netherlands faced an uncertain but generally stable economic outlook in 2024. While the economy was expected to be tempered in growth compared to previous years, it showed resilience due to strong domestic consumption, an emphasis on high-value exports, and continued investment in green technologies. Inflation in the Netherlands was significantly higher than in the euro area as a whole. This high inflation had mainly domestic causes: excess demand in the economy, high wage growth, higher indirect taxes and the pass-through of inflation to regulated prices such as rents. The unemployment rate remained historically low. Overall, the Dutch labor market in 2024 remained strong, with low unemployment rates, but it was characterized by significant challenges, particularly in terms of labor shortages in certain sectors, wage pressures, and the need for upskilling. The high demand for housing exceeded the supply and has led to a steady increase in house prices in 2024.

Risk Management 2nd line

At 1st of December the Head of Risk & Compliance was appointed in the Managing Board of Achmea Bank N.V. as Director of Risk Management and reports to the Chairman of the Managing Board, with an escalation line to the Supervisory Board. In 2023 the Risk Management department was formed with the 2nd line teams Compliance & Operational Risk Management and Financial Risk Management. In 2024 the Model Validation team has been added to the Risk Management department.The three departments report to the Director of Risk Management.

As of October 1, the 2nd line risk management responsibilities for Achmea Bank and Syntrus Achmea Hypotheekdiensten B.V. have been combined within the Risk Management department of Achmea Bank.

Advanced Internal Ratings Based (AIRB) status approved by DNB

In September 2023 DNB approved the request for the AIRB status. This status enables Achmea Bank to use advanced models in our reporting process & credit cycle management and contributes to a further professionalization of our credit risk management and organization. Following the remedial action plan, as shared with DNB in October 2023, Achmea Bank worked on the remediation of identified areas for improvement. Achmea Bank plans to submit the application to DNB in Q1 2025.

Risk Strategy

The Bank aims to maintain a sound balance between risk and return. Adequate risk management is key in order to ensure the bank effectively identifies, assesses, manages, and mitigates risks while supporting its overall business objectives. Achmea Bank's risk strategy establishes boundaries that protect the bank and ensure it operates within its risk appetite, while also facilitating business operations and supporting the achievement of the business strategy and goals.The risk strategy focuses on:

- ensuring financial and operational stability and continuity of Achmea Bank;
- sound balance sheet management to control financial risks;
- sound and controlled business operations;
- commitment to compliance and ethical conduct, and
- protection of Achmea Bank's identity and reputation.

The Bank ensures to have a sound governance framework in place, alongside a strong risk culture. The Bank's risk strategy is reflected in its Risk Appetite Statement. This is supported by a set of appropriate key risk indicators and watchlist indicators. Risk Management safeguards a continuous monitoring of the financial and non-financial risk profile and ensures that risk management instruments and techniques are implemented correctly and consistently, in line with legislation and market best practices.

Risk appetite and risk indicators

Risk appetite is defined as the level of financial and non-financial risk the Bank is willing to take, given the Bank's strategy and business objectives. The risk appetite is one of the most important policy documents within Achmea Bank and is reviewed and approved at least annually. The Risk Management department is responsible for coordinating the updates of the Risk Appetite Statement on behalf of the Managing Board. The statement is approved by the Asset and Liability Committee (ALCo), the Credit Committee (KC), the Finance and Risk Committee (F&RC), the Managing Board and ultimately by the Supervisory Board.

The ultimate aim to protect the Bank's long-term viability and to produce sustainable medium- to long-term revenue streams is reflected in the risk appetite with regard to liquidity, capital and business risk and profitability. This risk appetite is translated into minimum levels of liquidity and capital and the maximum decline in results the Bank is willing to accept under normal and extreme conditions. With respect to capital and liquidity, the Bank aims to:

- achieve a return on equity that guarantees access to the capital markets;
- maintain sufficient levels of capital and liquidity to meet internal and external requirements;
- business continuity even in times of severe stress;
- avoid high concentration risks in the loan portfolio;
- maintain a sound financial position, including a diversified funding mix and an acceptable level of asset encumbrance; and
- have a conservative investment policy.

Risk Governance

Within Achmea Bank's risk governance framework, the Three Lines Model ensures a clear division of responsibilities. The Managing Board is overall responsible for the effectiveness of non-financial and financial risk management.

The first line (business departments, including finance and asset & liability management) owns and manages risks as part of day-to-day operations. These departments are responsible for managing the risks they incur in conducting their activities and for designing and executing effective and efficient controls. The second line (Risk Management) provides independent oversight, guidance, and challenge to ensure risks remain within the defined risk appetite. The third line (Internal Audit) conducts independent assurance, assessing the effectiveness of governance, risk management and controls. Together, these lines support sound and controlled business operations.

The Managing Board is overall accountable and responsible for defining and executing the Bank's strategy within the set boundaries that are formulated in the risk appetite. A crucial element of the Bank's strategy is the consistent control of operational risk, compliance risk, model risk, credit and counterparty risk, market risk, liquidity & funding risk, and the so-called transversal risks solvency risk, climate & environmental and other ESG risks and reputational risk.

The Managing Board is responsible for setting up effective processes that enable the Bank to hold sufficient capital and liquidity with respect to its objectives and the regulatory capital and liquidity adequacy requirements. Within this scope, the Managing Board delegates specific tasks to different committees (such as F&RC, KC and ALCo).

The F&RC is the ultimate decision-making body for new and amended policies regarding financial and non-financial risks. The F&RC is chaired by the Director of Risk Management. The Credit Committee, the Technical Committee (model risk), the Data Quality Board and the ALCo are sub-committees of the F&RC.

The Credit Committee focuses on the management of credit risk on its (residential) mortgage portfolios. This means that the Credit Committee has the responsibility for approving of and advising on credit policy frameworks and the implementation of it. In addition, the Credit Committee is responsible for monitoring the quality of the credit portfolio including taking actions to act upon developments. Credit risk reports and reports about compliancy to the credit risk policies are sources for undertaking actions if needed, e.g. in case risk appetite indicators are negatively impacted. The Credit Committee is also regularly informed by the Credit Risk Control Unit (CRCU) about the outcomes and performance of the AIRB model and its various uses. The Credit Committee is chaired by the as Director of Risk Management.

The ALCo monitors and manages all financial risks except for retail credit risk which is the focus of the Credit Committee. This comprises market risk (interest, credit spread & currency risk), professional counterparty risk, liquidity risk, funding risk and capital management. The ALCo decision making process is amongst others based on reports in which actuals and forecasted figures with several (stress) scenarios are presented. The ALCo is chaired by the Director of Finance.

The Data Quality Board (DQB) is responsible for data governance within Achmea Bank. The DQB defines policies, roles and responsibilities regarding data and monitors data quality of critical and non-critical data elements as well as the resolution of data observations and/or issues. It also has a formal role in the approval of data definitions and the traceability of data form source to use (data lineage). The DQB is chaired by the senior manager of Business Intelligence & Data Analytics.

The Technical Committee (TC) is responsible for the correct and timely processing of the model lifecycle of internal models within Achmea Bank. The TC is chaired by the Director of Risk Management.

B. Credit Risk

Within Achmea Bank, credit risk is defined as ‘the risk that the bank suffers a financial loss or a material decrease in solvency, due to the fact that a borrower or counterparty does not meet the financial or other contractual obligations to the bank or due to a significant deterioration of the creditworthiness of the specific borrower or counterparty. To cover credit risk for the financial instruments in the Balance sheet items loans and advances to banks, public sector and customers, Achmea Bank has divided its impairment eligible portfolio into three parts: Regular mortgage portfolio (including acquired portfolios and external platforms), the Acier portfolio and other financial assets. These provisioning methods will be explained in the Provisioning methodology paragraph below.

Credit risk consists of risks relating to retail mortgage lending (retail credit risk) and professional counterparties (counterparty credit risk) in funding transactions (e.g. swaps).

Risk Profile

The following table shows the gross carrying amount for all assets and off-balance sheet exposures and in case there is a expected credit loss calculated the expected credit loss.

RISK PROFILE

AS AT 31 DECEMBER 2024	GROSS CARRYING AMOUNT	ECL			CARRYING AMOUNT
IN THOUSANDS OF EUROS		STAGE 1	STAGE 2	STAGE 3	
Assets					
Cash and balances with Central Banks	1,191,104	–	–	–	1,191,104
Loans and advances to banks	583,512	44	–	–	583,468
Derivative assets held for risk management	327,471	–	–	–	327,471
Loans and advances to public sector	560	–	–	–	560
Loans and advances to customers	17,166,526	208	16,274	7,739	17,142,305
Interest-bearing securities	–	–	–	–	–
Current tax assets	9,377	–	–	–	9,377
Prepayments and other receivables	288,458	160	–	–	288,298

Deferred tax assets	1,269	–	–	–	1,269
Total Assets	**19,568,276**	**412**	**16,274**	**7,739**	**19,543,851**

Off-balance exposures	**Exposure Amount**				**Provisions**
Outstanding loan commitments, construction deposits and undrawn commitments credit line	1,222,139	19	–	–	19

AS AT 31 DECEMBER 2023	GROSS CARRYING AMOUNT	ECL			CARRYING AMOUNT
IN THOUSANDS OF EUROS		STAGE 1	STAGE 2	STAGE 3	
Assets					
Cash and balances with Central Banks	598,670	–	–	–	598,670
Loans and advances to banks	637,519	49	–	–	637,468
Derivative assets held for risk management	370,676	–	–	–	370,676
Loans and advances to public sector	583	–	–	–	583
Loans and advances to customers	14,160,697	1,624	19,477	7,138	14,132,458
Interest-bearing securities	30,822	–	–	–	30,822
Current tax assets	–	–	–	–	–
Prepayments and other receivables	154,997	60	–	–	155,057
Deferred tax assets	9,326	–	–	–	9,326
Total Assets	**15,963,288**	**1,733**	**19,477**	**7,138**	**15,935,060**

Off-balance exposures	**Exposure Amount**				**Provisions**
Outstanding loan commitments, construction deposits and undrawn commitments credit line	824,919	36	1	–	37

The Bank calculated an Expected Credit Losses (ECL) provision for all off-balance exposures (outstanding loan commitments, construction deposits and undrawn commitments credit line) of EUR 19 thousand (2023: EUR 37 thousand), which is included in the provisions.

Achmea Bank’s mortgages and loan activities included in the Loans and advances to customers are concentrated in the Netherlands. Achmea Bank’s Loans and advances to banks, e.g. derivatives, are both to domestic and foreign counterparties. No geographical segmentation is applied.

The Loans and advances to customers consists of the Regular mortgage portfolio and the Acier loan portfolio.

Regular mortgage portfolio

The Regular mortgage portfolio, including the acquired portfolios and mortgages originated by external platforms, consists of residential, owner-occupied property loans and niche propositions such as buy-to-let. Collateral for these loans consists mainly of residential property. For a limited part of the portfolio the collateral also consists of pledged life insurance policies or saving accounts.

Acier loan portfolio

The Acier loan portfolio is a run-off portfolio and differs in characteristics from the Regular mortgage portfolio. The principal amount of Acier loans is higher than average mortgage loans in the Netherlands, resulting in higher exposure risk on a single client. Also, the collateral may be residential and/or commercial properties with higher values and/or properties that may be more volatile in value and less marketable. The majority of the loans have a variable interest rate and part of the loans are denominated in Swiss Francs (CHF). All loans denominated in Swiss Francs have a variable interest rate (EUR 305 million at year-end 2024).

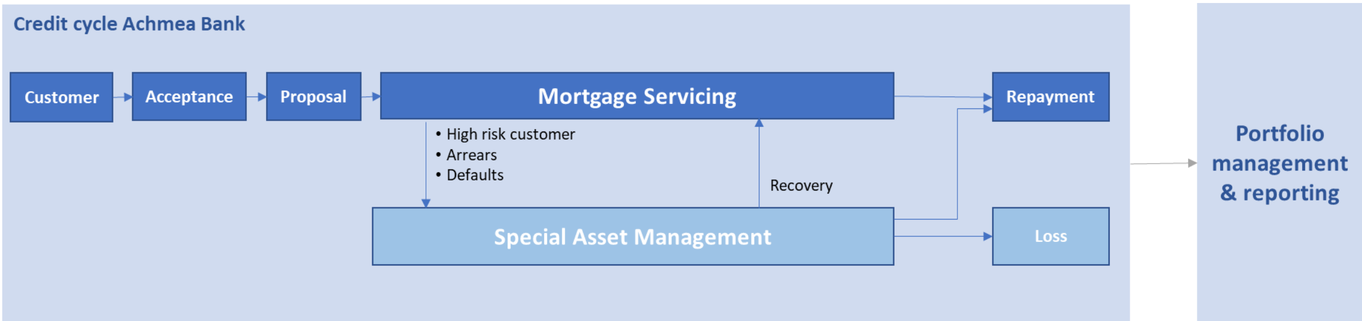
Achmea B.V. issued a capped guarantee to Achmea Bank to cover credit risk and legal claims related to this acquired portfolio (2015 and 2016). In 2024 EUR 0.7 million is claimed on the guarantee (2023: EUR 4.7 million) consisting of legal costs. For 2023 the claimed amount constating of ECL additions exceeding the threshold of 20 bps of the average gross carrying amount of the Acier portfolio. The total amount claimed by Achmea Bank up to year end 2024 is EUR 30.4 million (2023: EUR 29.7 million). At year- end 2024, the remaining maximum guaranteed amount is EUR 265 million.

Management and Control

Retail Credit Risk

Credit Committees

The Credit Committee monitors the credit risk profile of the mortgage portfolios throughout the credit cycle. The credit cycle, as illustrated below, is the foundation on which the 2nd line department Financial Risk Management forms its objective and independent judgement about the overall credit risk profile using portfolio management reporting.



Credit policy

Achmea Bank's policy on credit risk is mainly focused on counterparty risks associated with residential mortgage loans. Appropriate underwriting criteria for new clients and active credit risk management for existing clients safeguard the quality of the mortgage loan portfolio. Achmea Bank establishes policy frameworks based on legislation, the defined Risk Appetite and credit risk monitoring. Financial Risk Management is responsible for the review of the updated and/or revised policies as part of their 2nd line role. Credit risk is monitored by the Credit Committee.

Credit approval

The underwriting policy sets the parameters to approve mortgage applications. In highly exceptional cases loan applications which do not meet the underwriting criteria can be discussed via the procedure for 'explain' applications. This is part of the comply or explain process. Both the underwriting policy and the comply or explain process are 1st Line responsibility. Financial Risk Management monitors the level of 'explain' applications on a quarterly basis, based on the set Risk Appetite limits.

Achmea uses an application score card based on the AIRB model for credit approvals (excluding acquired portfolios and external platforms). With this application score card for each mortgage application a score is calculated to determine if there is an increased risk for the specific application. This score is used in the approval process for the application.

The Financial Risk Management department monitors the credit risk of the portfolio as part of their 2nd line role. When actions are needed, the Financial Risk Management department will advise the Credit Committee and propose possible action(s). Example of a possible action is adjustment/ review of the policies, such as the Underwriting policy and Credit Risk policy.

Arrears management Regular portfolio

Stringent procedures are in place to monitor payment arrears. Borrowers that fail to pay the scheduled payment will be approached by the Special Asset Management department. Special Asset Management treatment starts from the first month of arrears. The customer treatment is aimed at customer retention and minimizing losses for the customer and bank.

In case of foreclosure or forced sale, the Special Asset Management department realises the collateral sale and any remainder debt will be written off. Any income from the residual debt is recognised in the income statement, as part of other income.

Credit risk monitoring also takes place for the acquired portfolios and mortgage production via external platforms. These mortgage portfolios are highly comparable with Achmea bank's own portfolio in terms of credit risk. Special Asset Management treatment of the acquired portfolios is outsourced to the parties that have issued the mortgages. Achmea Bank receives ISAE 3402 reports from all respective organisations with regard to the soundness and robustness of internal controls in place for operational and financial processes.

Due to the specific nature of the Acier portfolio a specialized Account Team and Special Asset Management Team is in place for the treatment and foreclosures.

Default and Forbearance

Forbearance measures may be applied in situations where Achmea Bank considers the borrower unable to meet the terms and conditions of the contract due to financial difficulties. Depending on the nature of those difficulties, the Special Asset Management department may decide to modify the terms and conditions of the contract to maximise the probability of cure, maximise collection opportunities and minimise the risk of default. Forbearance is the temporary or structural modification of the terms and conditions of the mortgage. Some examples of the forbearance measures Achmea Bank applies:

- temporary payment holidays;
- temporary lowering of interest rate;
- restructuring and/or extension of the loan; and/or
- interest or cost forgiveness.

The registration of the forbearance measures and default events of the acquired portfolios and external platforms takes place at the issuing party. The relevant information of the portfolios is added to the data warehouse of Achmea Bank. The default determination and reporting are performed by Achmea Bank for all portfolios, including external platforms.

If the modification of the terms is substantially different, Achmea Bank derecognises the original financial assets and recognises a new asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes. If the terms are not substantially different, the Bank continues the current contract.

Achmea Bank assumes that there is a substantial modification if the net present value of the contractual cash flows after modification, differs by more than 10% of the net present value of the contractual cash flows before modification.

During 2024 Achmea Bank has no financial assets with lifetime Expected Credit Loss (ECL) with significantly modified cashflows.

Definition of default

Achmea Bank has a Definition of Default, Forbearance and Non-performing exposure policy in place. The definitions included in the policy are based on the standards as laid down in the relevant Guideline of the European Banking Authority. The Definition of Default is also used in the calculation of the IFRS 9 provision.

A retail mortgage facility is in default when at least one of the following criteria is met:

- A facility is materially (more than EUR 100) past due for more than 90 days;
- The obligor of the facility is unlikely to pay.

Examples of unlikely to pay (UtP) indicators applied by Achmea Bank are:

- Distressed restructuring;
- Bankruptcy;
- Fraud;
- Insufficient sources of recurring income;
- Seizure;
- Sale (by the Special Asset Management department or with a residual debt).

A facility only recovers from the default status once the arrears have been repaid in full or the UtP triggers have lapsed and at least three-month probation period has expired. In case of defaults with forbearance measures, the probation period is 12 months from the start of the measure. All default exposures are also non-performing exposures and are classified as credit impaired and included in Stage 3 (Lifetime ECL).

Counterparty Credit Risk

The counterparty credit risk on exposures to governments and financial institutions is primarily associated with investment activities and the Bank's cash management. When determining country limits and limits for financial institutions, Achmea Bank applies a risk mitigation policy that also complies with the relevant Achmea group policy. To manage counterparty risk, Achmea Bank imposes individual counterparty limits on exposure and for investments also on maturity. These limits are approved by the ALCo. The ALCo has delegated daily managing and monitoring of counterparty credit risk exposure to Balance Sheet Management and Achmea Treasury.

To reduce the counterparty risk on derivatives contracts, Achmea Bank has Credit Support Annexes (CSA) in place with all counterparties and all exposure is fully collateralised with cash. In line with the European Market Infrastructure Regulation (EMIR), the Bank only enters into new contracts via Central Clearing Parties (CCP).

No write offs on counterparty positions occurred in 2024 (2023: EUR 0).

Portfolio information

Retail Credit Risk

The tables below are based on gross carrying amount values of the mortgages and Expected Credit Loss. The carrying amount of loans and advances to customers is disclosed in note 4. More details about the calculation of the expected credit loss and provisioning methodology are disclosed in Risk Management paragraph under “Provisioning methodology”.

The table below shows the breakdown of the portfolios by redemption type for both Regular and Acier portfolios.

MORTGAGES BY REDEMPTION TYPE

IN THOUSANDS OF EUROS	2024		2023	
Regular				
Interest-only	5,359,148	32%	5,157,118	38%
Annuity	9,627,488	58%	6,733,181	49%
Linear	456,014	3%	378,102	3%
(Bank) savings	700,286	4%	821,806	6%
Life insurance	479,254	3%	533,101	4%
Investment	57,536	0%	64,168	0%
Total Gross Carrying Amount Regular	**16,679,726**		**13,687,476**	
Acier				
Interest-only	493,920	97%	569,692	97%
Annuity	568	0%	1,028	0%
Linear	48	0%	80	0%
(Bank) savings	–	0%	–	0%
Life insurance	–	0%	–	0%
Investment	13,994	3%	19,235	3%
Total Gross Carrying Amount Acier	**508,530**		**590,034**	
ECL	−24,221		−28,238	
Fair value hedge adjustment	43,163		−87,878	
Other	−64,893		−28,936	
Total Loans and advances to customers	**17,142,305**		**14,132,458**	

The amount presented as ‘Fair value hedge adjustment’ is a result of applying macro hedge accounting. ‘Other’ consists mainly of differences between fair value and notional at initial recognition for the acquired portfolios, as well as penalty interests.

Interest payments on mortgage loans provided after 1 January 2013 are only tax deductible if the mortgage is paid off through an annuity or linear schedule over a maximum period of thirty years. This rule does not apply to the interest-only mortgages originated before 1 January 2013 and those that were renegotiated after this date, but originated before 1 January 2013. For these mortgage loans, tax benefits remain applicable on certain conditions. The Bank accepts finances interest-only mortgages up to a maximum of 50% of the value of the collateral. The remainder of the loan must consist of a type of mortgage under which the debt is repaid during the term of the mortgage.

The table below shows the gross carrying amount of the interest-only mortgages per Loan to indexed value (LTV) bucket for the Regular and Acier loan portfolio. Loans qualified in the LTV bucket 'Other', mainly consist of bridge loans in the Regular portfolio and non-collateralized loans in the Acier portfolio.

INTEREST ONLY MORTGAGES BY LTV BUCKET

AS AT 31 DECEMBER 2024 IN THOUSANDS OF EUROS	REGULAR		ACIER	
Less than 75%	4,871,181	91%	292,914	59%
75% to 90%	251,787	5%	59,625	12%
90% to 110%	104,954	2%	63,261	13%
110% to 125%	12,175	0%	24,533	5%
More than 125%	27,200	1%	42,606	9%
Other	91,851	2%	10,981	2%
Total Gross Carrying Amount	**5,359,148**		**493,920**	

AS AT 31 DECEMBER 2023 IN THOUSANDS OF EUROS	REGULAR		ACIER	
Less than 75%	4,469,679	87%	287,695	51%
75% to 90%	391,462	8%	91,183	16%
90% to 110%	180,401	3%	67,671	12%
110% to 125%	28,607	1%	25,386	4%
More than 125%	38,387	1%	88,263	15%
Other	48,582	1%	9,495	2%
Total Gross Carrying Amount	**5,157,118**		**569,692**	

The table below shows the fixed term maturities for the Regular and Acier loan portfolio.

MORTGAGES BY FIXED-TERM MATURITY

IN THOUSANDS OF EUROS	2024		2023	
Regular				
< 1-year fixed-rate and floating rate	1,519,541	9%	1,118,938	8%
> 1 and < 5-year fixed-rate	3,776,294	23%	4,009,642	29%
> 5 and < 10-year fixed-rate	8,723,839	52%	6,565,720	48%
> 10 and < 15-year fixed-rate	1,546,253	9%	957,782	7%
> 15-year fixed-rate	1,113,800	7%	1,035,394	8%
Total Gross Carrying Amount Regular	**16,679,727**		**13,687,476**	
Acier				
< 1-year fixed-rate and floating rate	482,144	95%	559,603	95%
> 1 and < 5-year fixed-rate	20,243	4%	19,740	3%
> 5 and < 10-year fixed-rate	6,142	1%	10,691	2%
> 10 and < 15-year fixed-rate	–		–	
> 15-year fixed-rate	–		–	
Total Gross Carrying Amount Acier	**508,529**		**590,034**	
ECL	−24,221		−28,238	
Fair value hedge adjustment	43,163		−87,878	
Other	−64,893		−28,936	
Total Loans and advances to customers	**17,142,305**		**14,132,458**	

Counterparty Credit Risk

The total net exposure mainly consists of the exposures on the top 10 professional counterparties (financial institutions). As at year-end the total net exposure for the top 10 amounted to EUR 351 million (2023: EUR 524 million) and mainly concern direct debit accounts related to mortgage repayments and the total fair value of the derivatives versus the collateral positions. At year-end of 2024 the net exposure for the derivative exposures amounted to EUR 121 million (2023: EUR 157 million) and consisted of the total fair value of the derivatives versus the collateral position and initial margin for central clearing.

The credit risk of retail exposures (Loans and advances to customers) is managed with the methodology described in the next chapter. The credit risk on the other financial assets of the Bank is managed by means of the external credit ratings of the counterparties (Middle rating: Standard & Poor's, Moody's, DBRS and Fitch).

CREDIT RISK ON OTHER FINANCIAL ASSETS

AS AT 31 DECEMBER 2024 IN THOUSANDS OF EUROS FINANCIAL ASSETS CATEGORISED PER MIDDLE RATING	> A	≤ A	not rated	Total
Cash and balances with Central Banks	1,191,104	–	–	1,191,104
Derivative assets held for risk management	14,917	534	312,020	327,471
Loans and advances to banks	223,632	173,773	186,063	583,468
Loans and advances to public sector	–	560	–	560
Interest-bearing securities	–	–	–	–
	1,429,653	**174,867**	**498,083**	**2,102,603**

AS AT 31 DECEMBER 2023 IN THOUSANDS OF EUROS FINANCIAL ASSETS CATEGORISED PER MIDDLE RATING	> A	≤ A	not rated	Total
Cash and balances with Central Banks	598,670	–	–	598,670
Derivative assets held for risk management	26,235	12,792	331,649	370,676
Loans and advances to banks	279,654	238,054	119,760	637,468
Loans and advances to public sector	–	583	–	583
Interest-bearing securities	30,822	–	–	30,822
	935,381	**251,429**	**451,409**	**1,638,219**

The lowest rating at year-end 2024 was BBB EUR 0.6 million (2023: rating BBB, EUR 3.8 million). The unrated exposure consists of the exposure to London Clearing House Limited and Eurex.

At year-end 2024 EUR 262 million (2023: 248 million) of the collateral positions is reported as an asset and recognised under loans and advances to banks and EUR 52 million (2023: EUR 25 million) is reported as liability and recognised under deposits from banks.

Provisioning methodology

The impairment calculation of Achmea Bank is based on several ECL models which will be explained in the paragraph below.

Provisioning models

To be compliant with the IFRS 9 requirements for impairment, Achmea Bank has divided its impairment eligible portfolio into three parts:

- Regular mortgage portfolio (including acquired portfolios and external platforms);
- Acier portfolio;
- Other financial assets.

The ECL models for the regular mortgage portfolio are validated by Model Validation and approved by the Technical Committee of Achmea Bank and Model Governance Committee (MGC). The lifecycle of the ECL model is broken down in five generic key process stages (Origination, Design, Implementation, Operations, In-Depth review). During the Operations phase an In-Depth review is performed at least every three year. Depending on regulatory requirements or business developments the frequency could be higher.

Changes to methodology

In 2024, no recalibration was done for the Regular model.

Regular mortgage portfolio
IFRS 9 impairment requirements for the Regular mortgage portfolio are implemented within Achmea Bank as an ECL based methodology and approach. The ECL model consists of several sub-models which are common models used for IFRS 9. The sub-models are amongst others: Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD) and Discounting. The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months or over remaining lifetime. The EAD is the expected amount to be claimed by the bank at the time of default. The LGD represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD is expressed as a percentage loss per exposure.

The calculation of the ECL for the acquired portfolios and external platforms is based on the same assumptions as for the own portfolio. For these portfolios Achmea Bank conducted a representativeness analysis. Based on this analysis, Achmea Bank concludes that these portfolios are sufficiently homogeneous to use the same assumptions for the calculation of the impairment charges as for the own portfolio and that for the IFRS 9 calculation purposes no adjustment is required: the ECL model for the own portfolio is used as best estimate value.

In line with the IFRS 9 requirements, the total Regular portfolio (including acquired portfolios and external platforms) is divided in three stages:
- Stage 1: Mortgages without significant credit risk deterioration since initial recognition (12 months ECL)
- Stage 2: Mortgages with significant increase in credit risk (SICR) since initial recognition (Lifetime ECL)
- Stage 3: Credit-impaired or non-performing mortgages (Lifetime ECL)

ECL calculation is performed on financial instrument level, which corresponds to the individual loan part level for a mortgage (individual segments of the mortgage) within Achmea Bank. However, since both probability of default and default status are defined on facility level (referring to the entire mortgage arrangement), stage allocation for ECL modelling under IFRS 9 is performed on facility level.

Two criteria are considered to identify facilities with significant increase in credit risk:
- Quantitative criteria: The relative increase in credit risk. This is the ratio of the (cumulative) lifetime PD calculated at the origination date for the period of reporting until the contractual maturity date and the (cumulative) lifetime PD calculated at the reporting date for the period of the reporting date until the contractual maturity date. If the ratio is higher than the quantitative trigger threshold of 6, then Stage 2 is assigned to the facility.
- Qualitative criteria, or backstop: the facility is allocated to Stage 2 if one or more of the following qualitative criteria are met at the reporting date:
    - 30 days past due;
    - performing forborne status;
    - the management of the facility has been transferred from Mortgage Servicing to the Special Asset Management department (arrears management).

The ECL calculation is based on a weighted average of three scenario's: base, up and down. The most important macro-economic parameters of these scenarios are house price index (HPI) and consumer price index (CPI).

Acier portfolio
The Acier loan portfolio differs in characteristics from the regular Achmea Bank mortgage portfolio. Therefore, a different calculation is used for the Acier portfolio.

In line with the IFRS 9 requirements, the total Acier portfolio is divided in three stages:
- Stage 1: Mortgages without significant credit risk deterioration since initial recognition;

- Stage 2: Mortgages with arrears, mortgages with a higher risk profile and mortgages which will mature within 5 years with a relative high loan to value;
- Stage 3: Credit-impaired or non-performing mortgages.

ECL calculation is performed on financial instrument level (facility level), which corresponds to the individual loan part level within Achmea Bank. The ECL calculation is based on the unsecured loan part multiplied by the average PD of the stage from the Regular portfolio model.

Other financial assets
IFRS 9 requires an impairment calculation for all financial assets at amortised cost or at fair value through Other Comprehensive Income (FVtOCI) and for off balance loan commitments. Achmea Bank calculates the impairment charges for the other portfolios (Loans and advances to Banks and Other receivables), based on the IFRS 9 exemption for financial assets with low-credit risk. The models are mainly based on the credit rating of the counterparty.

For financial assets which have a low credit risk, the Bank calculates only 12-month ECL. The Bank considers loans & advances to banks to have a low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

The provision for loan commitments has been calculated by covering exposures with the same coverage ratio as the 12-month ECL from Stage 1, as commitments have a maximum maturity of 12 months.

Management overlay

Achmea Bank applies an IFRS9 Expected Credit Loss (ECL) model, calibrated with historical data, to determine the loan loss provisions for the Regular portfolio. In 2024, Achmea Bank established a policy that forms the basis for determining the amount of the management overlay. Throughout 2024, Achmea Bank assessed with various internal disciplines the risks which are not yet fully covered in the ECL models and could be part of a management overlay. As of the end of 2024, Achmea Bank has formed a management overlay for physical climate risk and for the coverage shortfall on interest-only mortgages, for a total amount of EUR 8.1 million (2023: EUR 7.3 million). In any future calibration of the ECL models, the Bank will assess whether it is feasible to incorporate the aforementioned risks into the ECL model.

Detailed ECL Regular mortgage and Acier loan portfolio

The tables below show the gross carry amount and ECL provisions for Achmea Bank mortgages by LTV and NHG status. Loans qualified in the LTV bucket 'Other', mainly consist of bridge loans in the Regular portfolio and non-collateralized loans in the Acier portfolio. For the Regular portfolio, the ECL coverage ratio remains overall stable due to an increase of the management overlay.

ECL PER LTV

AS AT 31 DECEMBER 2024 IN THOUSANDS OF EUROS	NHG GROSS CARRYING AMOUNT	ECL	COVERAGE RATIO	NON NHG GROSS CARRYING AMOUNT	ECL	COVERAGE RATIO	ACIER GROSS CARRYING AMOUNT	ECL	COVERAGE RATIO
Less than 75%	3,271,472	187	0.01%	8,188,345	430	0.01%	299,398	–	0.00%
75% to 90%	1,340,802	58	0.00%	1,198,338	245	0.02%	63,502	102	0.16%
90% to 110%	1,693,660	93	0.01%	739,781	276	0.04%	63,261	2,718	4.30%
110% to 125%	67,727	7	0.01%	32,694	72	0.22%	24,533	1,386	5.65%
More than 125%	8,026	8	0.09%	46,628	372	0.80%	46,325	5,195	11.21%
Other	49	–	0.47%	92,205	14	0.02%	11,510	4,941	42.92%
Management overlay					8,117				
Total	**6,381,735**	**353**	**0.01%**	**10,297,992**	**9,526**	**0.09%**	**508,529**	**14,342**	**2.82%**

AS AT 31 DECEMBER 2023									
IN THOUSANDS OF EUROS	NHG			NON NHG			ACIER		
	GROSS CARRYING AMOUNT	ECL	COVERAGE RATIO	GROSS CARRYING AMOUNT	ECL	COVERAGE RATIO	GROSS CARRYING AMOUNT	ECL	COVERAGE RATIO
Less than 75%	2,407,122	206	0.01%	7,071,796	557	0.01%	294,735	–	0.00%
75% to 90%	481,563	51	0.01%	1,213,504	250	0.02%	98,189	303	0.31%
90% to 110%	1,130,486	101	0.01%	1,102,518	466	0.04%	69,332	2,126	3.07%
110% to 125%	37,225	3	0.01%	112,332	87	0.08%	25,386	1,444	5.69%
More than 125%	4,465	9	0.19%	76,401	434	0.57%	92,056	13,505	14.67%
Other	965	–	0.01%	49,097	4	0.01%	10,337	1,393	10.11%
Management overlay					7,300				
Total	**4,061,827**	**370**	**0.01%**	**9,625,649**	**9,098**	**0.09%**	**590,034**	**18,770**	**3.18%**

The breakdown of the carrying amount of the loans and advances to customers in stages can be specified as follows:

BREAKDOWN LOANS AND ADVANCES TO CUSTOMERS

AS AT 31 DECEMBER 2024				
	ECL			
IN THOUSANDS OF EUROS	STAGE 1	STAGE 2	STAGE 3	
Gross carrying amount Regular mortgages	16,319,164	279,027	81,536	16,679,727
loss allowances ECL	187	486	1,089	1,762
Management overlay	–	8,117	–	8,117
Fair value hedge adjustment				43,163
Other				−64,893
Total carrying amount Regular mortgages	**16,318,977**	**270,425**	**80,446**	**16,648,118**
Gross carrying amount Acier mortgages	344,747	131,313	32,469	508,529
loss allowances ECL	21	7,671	6,650	14,342
Total carrying amount Acier mortgages	**344,726**	**123,643**	**25,819**	**494,187**
Total Loans and advances to customers	**16,663,703**	**394,067**	**106,265**	**17,142,305**

AS AT 31 DECEMBER 2023				
	ECL			
IN THOUSANDS OF EUROS	STAGE 1	STAGE 2	STAGE 3	
Gross carrying amount Regular mortgages	13,264,923	366,024	56,529	13,687,476
loss allowances ECL	481	946	741	2,168
Management overlay	1,095	5,110	1,095	7,300
Fair value hedge adjustment	–	–	–	−87,878
Other	–	–	–	−28,936
Total carrying amount Regular mortgages	**13,263,347**	**359,968**	**54,694**	**13,561,194**
Gross Carrying Amount Acier Mortgages	417,979	153,075	18,980	590,034
loss allowances ECL	48	13,420	5,302	18,770
Total carrying amount Acier mortgages	**417,932**	**139,655**	**13,678**	**571,264**
Total Loans and advances to customers	**13,681,279**	**499,623**	**68,371**	**14,132,458**

Stage 3 includes purchased or credit impaired assets with a gross carrying amount of EUR 7.1 million (2023: EUR 8.2 million) and a related ECL of EUR 40 thousand (2023: EUR 46 thousand), which are both not material and therefore not classified separately.

The following tables show the transfers of gross carrying amounts between stages from the opening to the closing balance for Loans and advances to customers.

TRANSFERS BETWEEN IMPAIRMENT STAGES (GROSS BASIS PRESENTATION)

GROSS CARRYING AMOUNT	TRANSFERS BETWEEN STAGE 1 AND STAGE 2		TRANSFERS BETWEEN STAGE 2 AND STAGE 3		TRANSFERS BETWEEN STAGE 1 AND STAGE 3	
IN THOUSANDS OF EUROS	FROM STAGE 1 TO STAGE 2	FROM STAGE 2 TO STAGE 1	FROM STAGE 2 TO STAGE 3	FROM STAGE 3 TO STAGE 2	FROM STAGE 1 TO STAGE 3	FROM STAGE 3 TO STAGE 1
2024						
Loans and advances to customers	161,050	226,856	28,486	16,842	46,845	4,324
Total	**161,050**	**226,856**	**28,486**	**16,842**	**46,845**	**4,324**
2023						
Loans and advances to customers	140,138	566,402	21,697	24,725	15,066	3,953
Total	**140,138**	**566,402**	**21,697**	**24,725**	**15,066**	**3,953**

The following table show the summary of the reconciliation from the opening to the closing balance of the loss allowances.

MOVEMENT SCHEDULE ECL

AS AT 31 DECEMBER 2024		
IN THOUSANDS OF EUROS	REGULAR	ACIER
1 January 2024	**9,468**	**18,770**
New assets originated or acquisition	78	–
Asset derecognised	–573	–146
Credit quality changes	94	995
Changes to methodology	–	–
Amounts written off	–6	–5,277
Management overlay	817	
31 December 2024	**9,879**	**14,342**

AS AT 31 DECEMBER 2023		
IN THOUSANDS OF EUROS	REGULAR	ACIER
1 January 2023	**8,805**	**12,820**
New assets originated or acquisition	145	–
Asset derecognised	–350	–525
Credit quality changes	–299	2,599
Changes to methodology	–	3,880
Amounts written off	–133	–4
Management overlay	1,300	–
31 December 2023	**9,468**	**18,770**

The following table show the reconciliation from the opening to the closing balance of the loss allowances, including the stage transfers.

LOSS ALLOWANCE LOANS AND ADVANCES TO CUSTOMERS REGULAR PORTFOLIO

IN THOUSANDS OF EUROS	STAGE 1	STAGE 2	STAGE 3	TOTAL
	12-MONTH ECL	LIFETIME ECL	LIFETIME ECL	
Loss allowance as at 1 January 2024	**1,576**	**6,056**	**1,836**	**9,468**
Movements with P&L impact				
Transfers:				
Of which, transfer from stage 1 to stage 2	–15	227	–	212

Of which, transfer from stage 1 to stage 3	–5	–	488	484
Of which, transfer from stage 2 to stage 1	13	–453	–	–440
Of which, transfer from stage 2 to stage 3	–	–90	358	268
Of which, transfer from stage 3 to stage 1	1	–	–60	–59
Of which, transfer from stage 3 to stage 2	–	31	–192	–160
Movements due to recognition/derecognition	–245	–25	–225	–495
Other movements	–43	–150	–17	–210
Management overlay	–1095	3007	–1095	817
Total net P&L charge during the period	**–1,389**	**2,547**	**–742**	**416**
Movements with no P&L impact				
Write-offs	–	–	–6	–6
Loss allowance as at 31 December 2024	**187**	**8,603**	**1,088**	**9,879**

	STAGE 1	STAGE 2	STAGE 3	TOTAL
	12-MONTH ECL	LIFETIME ECL	LIFETIME ECL	
Loss allowance as at 1 January 2023	**2,211**	**4,172**	**2,421**	**8,805**
Movements with P&L impact				
Transfers:				
Of which, transfer from stage 1 to stage 2	–6	329	–	323
Of which, transfer from stage 1 to stage 3	–1	–	234	233
Of which, transfer from stage 2 to stage 1	38	–1187	–	–1,149
Of which, transfer from stage 2 to stage 3	–	–79	325	245
Of which, transfer from stage 3 to stage 1	1	–	–32	–30
Of which, transfer from stage 3 to stage 2	–	49	–168	–118
Movements due to recognition/derecognition	88	–135	–158	–204
Other movements	149	–204	251	197
Management overlay	–905	3110	–905	1,300
Total net P&L charge during the period	**–635**	**1,883**	**–452**	**796**
Movements with no P&L impact				
Write-offs	–	–	–133	–133
Loss allowance as at 31 December 2023	**1,576**	**6,056**	**1,836**	**9,468**

The loss allowance recognised in the period is impacted by a variety of factors:

- Transfers between Stage 1 and Stages 2 or 3 due to significant increase or decrease of credit risk or becoming credit-impaired in the period, and the consequent step up or step down between 12-month and lifetime ECL.
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period.
- Other movements: impact on the measurement of ECL due to changes in PD’s, EAD’s and LGD´s in the period, arising from regular updates of inputs of models.

LOSS ALLOWANCE LOANS AND ADVANCES TO CUSTOMERS ACIER PORTFOLIO

IN THOUSANDS OF EUROS	STAGE 1	STAGE 2	STAGE 3	TOTAL
	12-MONTH ECL	LIFETIME ECL	LIFETIME ECL	
Loss allowance as at 1 January 2024	**48**	**13,420**	**5,302**	**18,770**
Movements with P&L impact				
Transfers:				
Of which, transfer from stage 1 to stage 2	–6	367	–	361
Of which, transfer from stage 1 to stage 3	–3	–	785	782
Of which, transfer from stage 2 to stage 1	21	–570	–	–549
Of which, transfer from stage 2 to stage 3	–	–241	745	503
Of which, transfer from stage 3 to stage 1	–	–	–9	–9

Of which, transfer from stage 3 to stage 2	–	–	–	–
Movements due to recognition/derecognition	−23	−103	−20	−146
Other movements	−15	−5,203	5,125	−93
				–
Total net P&L charge during the period	**−27**	**−5,750**	**6,625**	**849**
Movements with no P&L impact				
Write-offs	–	–	−5,277	−5,277
Loss allowance as at 31 December 2024	**21**	**7,671**	**6,650**	**14,342**

	STAGE 1	STAGE 2	STAGE 3	TOTAL
	12-MONTH ECL	LIFETIME ECL	LIFETIME ECL	
Loss allowance as at 1 January 2023	**1,875**	**5,682**	**5,263**	**12,820**
Movements with P&L impact				
Transfers:				
Of which, transfer from stage 1 to stage 2	–	950		950
Of which, transfer from stage 1 to stage 3	−4		140	136
Of which, transfer from stage 2 to stage 1	17	−227		−209
Of which, transfer from stage 2 to stage 3		−8	320	312
Of which, transfer from stage 3 to stage 1	–		–	–
Of which, transfer from stage 3 to stage 2		535	−1,708	−1,173
Movements due to recognition/derecognition	−65	−158	−302	−525
Other movements	−1,776	6,645	1,594	6,463
Total net P&L charge during the period	**−1,827**	**7,738**	**43**	**5,953**
Movements with no P&L impact				
Write-offs	–	–	−4	−4
Loss allowance as at 31 December 2023	**48**	**13,420**	**5,302**	**18,770**

The loss allowance recognised in the period is impacted by a variety of factors:
- Transfers between stage 1 and stages 2 or 3 due to significant increase or decrease of credit risk or becoming credit-impaired in the period, and the consequent step up or step down between 12-month and lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Other movements: impact on the measurement of ECL due to changes in PD’s, EAD’s and LGD´s in the period, arising from regular updates of inputs of models. Foreign exchange effects for assets denominated in foreign currencies (Acier portfolio) and other movements.

The table below shows gross carry amount in buckets of days-past-due for the Regular and Acier portfolio. More than 30 days indicates loans with a significant increase in credit risk. More than 90 days indicates loans in default.

ARREARS

AS AT 31 DECEMBER	2024	2023
IN THOUSANDS OF EUROS		
Regular mortgage portfolio		
0 days	16,629,281	13,626,353
1 - 30 days	6,143	7,909
31 - 60 days	20,633	23,236
61 - 90 days	6,344	7,027
> 90 days	17,326	22,951
Total gross carrying amount	**16,679,727**	**13,687,476**

Acier loan portfolio		
0 days	501,359	576,802
1 - 30 days	406	251
31 - 60 days	53	591
61 - 90 days	–	3,932
> 90 days	6,712	8,458
Total gross carrying amount	**508,529**	**590,034**

Macro-economic variables

The assessment of Significant increase in credit risk (SICR) and the calculation of the ECL both incorporate macro-economic information. The Bank has performed historical analysis and identified the key economic variables impacting credit risk and ECL. Forecasts of these economic variables are updated via an expert panel and provide the best estimate of the economy over the next three years and a longer period. The macro-economic variables used for the ECL estimate as at 31 December 2024 are set out below. These scenarios are approved by the ALCo of the Bank.

The expert panel has thoroughly discussed improvement of the economic environment in 2024. Therefore, it was decided to positively adjust forward looking expectations as compared to the scenarios from 2023 and to leave weightings unchanged at this time. The table below, as well as tables from the sensitivity analysis, show the impact of various scenarios on the ECL provision.

For the Acier portfolio, the model has been replaced by a new calculation in 2023. This new calculation uses the PD from the regular model, which incorporates the macro-economic variables. Therefore, only the table of macro-economic variables of the regular portfolio is shown.

REGULAR MACRO-ECONOMIC SCENARIOS (EXCL. MANAGEMENT OVERLAY)

AS AT 31 DECEMBER 2024

IN THOUSANDS OF EUROS

Scenario	Macro-economic Parameter	2025	2026	2027	2028	Weight	Unweighted ECL	Reported (weighted) ECL
Up	House Price Index (yoy%)	11.0%	8.0%	8.0%	8.0%	20%	1,636	1,755
	Consumer Price Index (yoy%)	1.8%	1.5%	1.3%	1.3%			
Base	House Price Index (yoy%)	9.0%	4.0%	4.0%	4.0%	60%	1,736	
	Consumer Price Index (yoy%)	2.8%	2.5%	2.3%	2.3%			
Down	House Price Index (yoy%)	4.0%	1.5%	1.5%	1.5%	20%	1,932	
	Consumer Price Index (yoy%)	4.8%	4.5%	4.3%	4.3%			

AS AT 31 DECEMBER 2023 IN THOUSANDS OF EUROS Scenario	Macro-economic Parameter	2024	2025	2026	2027	Weight	Unweighted ECL	Reported (weighted) ECL
Up	House Price Index (yoy%)	7.7%	7.0%	6.5%	6.5%	20%	1,737	2,175
	Consumer Price Index (yoy%)	2.0%	1.5%	1.5%	1.5%			
Base	House Price Index (yoy%)	3.2%	3.0%	2.5%	2.5%	60%	2,467	
	Consumer Price Index (yoy%)	3.0%	2.5%	2.5%	2.5%			
Down	House Price Index (yoy%)	−1.3%	0.0%	0.0%	0.0%	20%	2,702	
	Consumer Price Index (yoy%)	5.0%	4.5%	4.5%	4.5%			

Sensitivity analysis on ECL

For the Regular mortgage portfolio, Achmea Bank performs a sensitivity analysis for the base scenario (excluding the “up” and “down” on the main drivers of the ECL models). In the scenario analysis the effect of applying different assumptions for these risk drivers and applying different weights is calculated. The following table shows the sensitivity to the main drivers of the ECL.

The main drivers for the Regular mortgage portfolio are:

- House price index: the ECL includes house price index predictions for the coming three years separately and for the period > 3 years;
- Consumer price index: the ECL includes consumer price index predictions for the coming three years separately and for the period > 3 years.

The scenarios for the sensitivity analysis for the Regular mortgage portfolio, as mentioned below, have been discussed in the expert panel of December 2024. The outcome of the scenarios is compared with the base scenario of the ECL. For each individual scenario, the ECL for each stage is disclosed as well as the total change of the ECL compared to the base scenario. The sensitivity figures include the acquired portfolios and external platforms, which have a limited impact on the sensitivity figures. Due to changes in macro-economic scenarios, sensitivity analyses of 2024 are not comparable to 2023 figures.

SENSITIVITY TO THE MAIN DRIVERS OF THE ECL FOR THE REGULAR MORTGAGE PORTFOLIO

PER 31 DECEMBER 2024 IN MILLIONS OF EUROS SENSITIVITY SCENARIO	ORIGINAL SCENARIO	STAGE 1	STAGE 2	STAGE 3	TOTAL	CHANGE COMPARED TO ORIGINAL
Original scenario ECL for the Regular mortgage portfolio	Base/Up/Down 60%/20%/20%	0.2	0.5	1.1	1.8	
Base 100%		0.2	0.5	1.1	1.7	−0.0
Up 100%		0.2	0.4	1.1	1.6	−0.1
Down 100%		0.2	0.6	1.1	1.9	0.2

	ORIGINAL SCENARIO	STAGE 1	STAGE 2	STAGE 3	TOTAL	CHANGE COMPARED TO BASE
HPI (yoy%) -6,8%	HPI (yoy%) 3,2%	0.2	0.6	1.2	2.0	0.3
HPI (yoy%) +8,2%	HPI (yoy%) 3,2%	0.2	0.5	1.1	1.7	−0.1
CPI (yoy%) +8,0%	CPI (yoy%) +3,0%	0.2	0.6	1.1	1.9	0.1

PER 31 DECEMBER 2023						
IN MILLIONS OF EUROS						
SENSITIVITY SCENARIO	ORIGINAL SCENARIO	STAGE 1	STAGE 2	STAGE 3	TOTAL	CHANGE COMPARED TO ORIGINAL
Original scenario ECL for the Regular mortgage portfolio	Base/Up/Down 60%/20%/20%	0.5	0.9	0.7	2.2	
Base 100%		0.5	0.9	0.7	2.1	−0.1
Up 100%		0.4	0.7	0.7	1.8	−0.3
Down 100%		0.6	1.3	0.8	2.7	0.5

	ORIGINAL SCENARIO	STAGE 1	STAGE 2	STAGE 3	TOTAL	CHANGE COMPARED TO BASE
HPI (yoy%) -6,8%	HPI (yoy%) 3,2%	0.6	1.2	0.8	2.7	0.6
HPI (yoy%) +8,2%	HPI (yoy%) 3,2%	0.4	0.8	0.7	1.9	−0.2
CPI (yoy%) +8,0%	CPI (yoy%) +3,0%	0.5	1.2	0.7	2.4	0.2

The sensitivity figures below include the Acier portfolio. Due to changes in methodology in 2023, the Acier portfolio no longer applies separate macro-economic variables, and uses the same sensitivity scenarios as the Regular mortgage portfolio.

SENSITIVITY TO THE MAIN DRIVERS OF THE ECL FOR THE ACIER PORTFOLIO

PER 31 DECEMBER 2024						
IN MILLIONS OF EUROS						
SENSITIVITY SCENARIO	ORIGINAL SCENARIO	STAGE 1	STAGE 2	STAGE 3	TOTAL	CHANGE COMPARED TO ORIGINAL
ECL for the Acier portfolio		0.0	7.7	5.4	13.1	
Original scenario ECL for the Acier portfolio						

	ORIGINAL SCENARIO	STAGE 1	STAGE 2	STAGE 3	TOTAL	CHANGE COMPARED TO BASE
HPI (yoy%) -6,8%	HPI (yoy%) 3,2%	0.0	9.4	6.0	15.4	2.3
HPI (yoy%) +8,2%	HPI (yoy%) 3,2%	0.0	6.9	5.1	12.0	−1.1
CPI (yoy%) +8,0%	CPI (yoy%) +3,0%	0.0	7.7	5.4	13.1	0.0

PER 31 DECEMBER 2023						
IN MILLIONS OF EUROS						
SENSITIVITY SCENARIO	ORIGINAL SCENARIO	STAGE 1	STAGE 2	STAGE 3	TOTAL	CHANGE COMPARED TO ORIGINAL
ECL for the Acier portfolio						
Original scenario ECL for the Acier portfolio		0.1	13.4	4.9	18.4	

	Original Scenario	stage 1	stage 2	stage 3	Total	Change compared to base
HPI (yoy%) -6,8%	HPI (yoy%) 3,2%	0.1	15.6	5.6	21.3	2.9
HPI (YOY%) +8,2%	HPI (YOY%) 3,2%	0.1	12.4	4.7	17.1	−1.4
CPI (yoy%) +8,0%	CPI (yoy%) +3,0%	0.1	13.4	4.9	18.4	0.0

C. Market Risk

Market risk may arise because Achmea Bank concludes contracts and enters into obligations with clients and professional counterparties. Market risk occurs in the banking book.

Risk Profile

Achmea Bank's market risk results from interest rate risk in its banking book and foreign currency risk. The Bank has a strict policy on mitigating foreign currency risk and uses financial instruments to hedge interest rate risk and foreign currency risk.

The Bank does not engage in proprietary trading.

Management and Control

Achmea Bank's market risk exposure is monitored and discussed during ALCo meetings at least monthly, in order to take timely and appropriate action if necessary. Balance Sheet Management is responsible for reporting current and the expected future market risk exposure and advising the ALCo on appropriate action. Proposed actions and decisions are accompanied by a 2nd line opinion from Financial Risk Management. Transactions on the financial markets are executed by the Achmea Treasury or Corporate Finance department.

Currency risk

With respect to foreign currencies, the policy is to fully hedge the exposure to foreign currency risk. As at 31 December 2024 Achmea Bank´s exposure is limited to the CHF mortgages in the Acier loan portfolio.

Interest Rate Risk in the banking book (IRRBB)

Interest rate risk is the present or future risk of a decline in total equity and interest income due to changes in market interest rates. The Bank hedges the interest rate risk arising from its mortgage lending and (retail) funding operations mainly by means of interest rate derivatives (swaps).

Interest rate risk is managed from both an income and value perspective:
- Effects of a change in interest rate on the economic value of total equity; and
- Effects of a change in interest rate on the income statement (and therefore in the net result).

The impact on total equity is based on the market value of all financial instruments. It is not directly visible in the income statement or in the consolidated statement of the financial position as most instruments are recognised at amortised cost.

IRRBB is monitored through various methodologies:
- Duration of equity: measures the sensitivity of the market value of equity due to a parallel shift (shock) of the interest rates of one basis point;
- Economic value of Equity (EVE) at Risk: measures the effect on the market value of equity in several different shock scenarios, i.e. large changes in the height and/or shape of the interest rate curve e.g. a parallel shift or steepening shift;
- Net interest Income (NII) at Risk: measures the impact on interest income in the next 12 months for several different shock scenarios.

The outcomes are input for the ALCo to decide if adjustment of the interest rate risk position is required.

Figures Interest Rate Risk in the Banking Book (IRRBB)

Duration of Equity

The table below shows that the duration of equity of Achmea Bank has increased from -1.3 years at 31 December 2023 to 1.1 years at 31 December 2024.

DURATION OF EQUITY

IN YEARS	2024	2023
Duration of Equity	1.1	−1.3

Economic value of Equity (EVE) at Risk

EVE at Risk measures the sensitivity of the EVE to several interest rate shock scenarios. The table below shows the impact of a 200 basis points overnight parallel shift of the yield curve, both up and down.

SENSITIVITY ANALYSIS – ECONOMIC VALUE OF EQUITY (EVE)

IN MILLIONS OF EUROS	2024	2023
Impact of 200 basis points downward shift of the yield curve	−173	−153
Impact of 200 basis points upward shift of the yield curve	−96	−40

In the minus 200 basis points overnight shock scenario, mortgage prepayments are expected to increase significantly resulting in an EVE decrease of EUR 173 million (2023: EUR 153 million). The increased (negative) impact compared to 2023 is mainly caused by a decrease in interest rates, which have led to a higher market value of mortgages resulting in a higher (modelled) market value loss in the case of increased prepayments.

In the plus 200 basis points overnight shock scenario EVE decreases by EUR 96 million (2023: EUR 40 million). The increased (negative) impact compared to 2023 is predominantly driven by the higher duration of equity.

In practice, compared to the scenarios described above, the Bank will adjust its interest rate risk position in response to changes in interest rates and client behaviour as part of its regular IRRBB management process. This is not possible in a scenario with an overnight shock. In December 2024 the bank revised its stress scenarios and decided to use gradual shocks of ±200 basis points to calculate the EVE at risk and the NII at risk going forward. This allows for intermediate steering with interest rate swaps. Per the end of December the EVE at risk for the gradual -200 basis points scenario results in EUR -89 million and the gradual +200 basis points scenario results in an EVE at risk of EUR -51 million.

Net Interest Income (NII) at Risk

NII at risk measures the sensitivity of the net interest income to several interest rates shock scenarios and has a time horizon of one year, in line with EBA guidelines. The table below shows the impact of a 200 basis points overnight parallel downward shift of the yield curve.

SENSITIVITY ANALYSIS - NET INTEREST INCOME

IN MILLIONS OF EUROS	2024	2023
NII at Risk	−19	−36

The NII at risk amounts to EUR -19 million (2023: EUR -36 million). In 2024, Achmea Bank improved the methodology for the NII at Risk taking into account prepayment penalties and Non Maturing Deposit (NMD) migration. This is the main driver for the decrease in NII at Risk compared to 2023. For the gradual -200 basis points scenario the NII at risk amounts to EUR -9 million.

Currency Risk

Part of the Acier loan portfolio is denominated in CHF (EUR 305 million at year-end 2024). This position is funded by CHF unsecured bonds (EUR 320 million). The remaining net CHF exposure is hedged on a monthly basis with foreign exchange derivatives (EUR 8 million net amount). The net valuation effect over 2024 amounts to a EUR 0.3 million loss (2023: EUR 0.4 million loss) and is recognised in changes in fair value of financial instruments.

FOREIGN CURRENCY EXPOSURE

IN THOUSANDS OF EUROS	2024			2023		
	Total exposure	Hedging instruments	Net exposure	Total exposure	Hedging instruments	Net exposure
CHF	314,070	319,676	−5,606	357,037	361,771	−4,734
	314,070	**319,676**	**−5,606**	**357,037**	**361,771**	**−4,734**

The remaining exposure on CHF relates to the CHF mortgages and lies within the limits of the Bank’s objective to minimize net foreign currency exposure. Given the limited exposure, the financial impact of fluctuations in exchange rates is limited.

The following exchange rates have been used:

	CLOSING RATE		AVERAGE RATE	
	2024	2023	2024	2023
CHF	0.94	0.97	0.95	0.98

D. Liquidity risk and funding strategy

Liquidity risk is the risk that the Bank, under normal circumstances as well as in times of stress, has insufficient liquid assets available in the short, medium or long term to meet financial obligations without incurring unacceptable costs or losses. Liquidity risk also includes the situation in which the balance sheet structure develops in such a way that the Bank suffers excessive exposure to a disruption of its funding sources. Liquidity management ensures the bank remains within its risk appetite and supports Achmea Bank's strategy.

Risk Profile

Achmea Bank strives towards a liquidity position that allows the Bank to meet all its current and future financial obligations both under normal circumstances as well as in times of stress. Furthermore, the Bank has a diversified funding mix and to ensure continued access to funding, the Bank is active in the retail savings market and maintains several short- and long-term wholesale funding programs, including covered bonds.

Management and Control

Liquidity & funding risk exposure is analysed and discussed during ALCo meetings at least monthly, in order to take appropriate action if necessary. The most important metrics used to monitor liquidity & funding risks are the Liquidity Coverage Ratio (LCR), the Net Stable Funding Ratio (NSFR), the Asset Encumbrance Ratio (AE ratio) and the Survival Period (SP). The SP reflects the period that the Bank's liquidity position remains positive in the most severe internal stress scenario. Additionally, the Bank performs a set of liquidity stress tests on a quarterly basis. The Bank manages its liquidity position prudently and complies with the minimum regulatory and internal requirements.

Balance Sheet Management is responsible for informing the ALCo on the expected development of the liquidity position, stress testing and advising the ALCo on the funding planning and the size and composition of the liquidity buffer. All required decisions are accompanied by a 2nd line opinion from Financial Risk Management. Transactions on the financial markets are executed by Achmea Treasury and the Corporate Finance department.

Liquidity buffer

As part of adequate liquidity management, it is necessary for banks to maintain a sufficient liquidity buffer to sustain unforeseen liquidity stress situations. The Bank has a strong liquidity stress testing framework which includes an idiosyncratic, a market-wide, a combined stress scenario and reverse stress testing. Key stress factors are:

- A bank run, resulting in a material outflow of retail savings;
- A large outflow of cash due to collateral calls on (interest rate) derivatives in an adverse interest rate scenario; and
- No access to the unsecured wholesale markets for a prolonged period.

As part of these stress tests, the adequacy of the volume and composition of the liquidity buffer is frequently tested.

The liquidity buffer of Achmea Bank mainly consists of on-demand Central Bank deposits and a portfolio of unencumbered high-quality liquid assets. At year-end the Bank held approximately EUR 1,191 million cash available on demand at the Dutch Central Bank (excluding the mandatory cash reserve). Furthermore, the Bank had a portfolio of liquid debt securities amounting to EUR 2,512 million at year-end 2024 (2023: EUR 1,311 million), comprising of unencumbered retained covered bonds and government bonds. The latter are part of an Asset Switch agreement with Achmea Pensioen- en Levensverzekeringen N.V. in which the Bank transfers the legal ownership of a portfolio of Dutch mortgages to Achmea Pensioen- en Levensverzekeringen N.V. in exchange for a portfolio of government bonds at a market value ratio of 110:100. These debt securities can easily be used as collateral or sold. The favourable liquidity treatment of government bonds enhances the liquidity position of the Bank and provides more flexibility in the timing of new funding transactions in connection with managing the liquidity and its survival period. The maximum amount of the Asset Switch is

EUR 1.0 billion, with a current target amount of EUR 0.5 billion. At year-end 2024 EUR 649 million (2023: EUR 668 million) of mortgages at nominal value were exchanged for EUR 485 million (2023: EUR 504 million) of government bonds (market value).

Liquidity Contingency

Achmea Bank has a Liquidity Contingency Plan (LCP) available in case of a liquidity stress event. The LCP is part of Achmea Bank's Crisis Management Framework, which includes its Recovery Plan. The Recovery Plan provides solutions to ensure the survival of Achmea Bank for at least six months of severe liquidity stress. The Recovery Plan contains a range of possible measures to generate cash liquidity in times of need and is reviewed at least annually.

The following table presents the financial assets and liabilities by contractual maturity of Achmea Bank at carrying amount.

The maturity date of the derivative determines the bucket in which the market value and interest amounts are reported.

FINANCIAL ASSETS AND LIABILITIES BY CONTRACTUAL MATURITY

AS AT 31 DECEMBER 2024	← 3 MONTHS	BETWEEN 3 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	→ 5 YEARS	TOTAL CARRYING AMOUNT
IN THOUSANDS OF EUROS					
Cash and balances with Central Banks	1,191,104	–	–	–	1,191,104
Derivative assets held for risk management	401	10,899	146,745	169,427	327,471
Loans and advances to banks	291,838	14,037	56,620	220,973	583,468
Loans and advances to public sector	6	19	90	445	560
Loans and advances to customers	106,308	327,937	1,753,119	14,954,940	17,142,305
Interest-bearing securities	–	–	–	–	–
Other assets	288,479	9,593	563	309	298,944
Total cashflows assets	**1,878,136**	**362,485**	**1,957,137**	**15,346,094**	**19,543,852**
Derivative liabilities held for risk management	20	12,277	56,712	347,248	416,257
Deposits from banks	306,080	45,206	27,472	8,535	387,294
Funds entrusted	6,731,755	937,034	1,642,194	1,558,319	10,869,302
Debt securities issued	317,332	1,625,283	2,775,426	2,189,764	6,907,805
Subordinated liabilities	–	–	–	–	–
Other liabilities	91,344	–	–	–	91,344
Total cashflows liabilities	**7,446,531**	**2,619,800**	**4,501,804**	**4,103,866**	**18,672,001**
Net liquidity gap	**−5,568,396**	**−2,257,315**	**−2,544,667**	**11,242,228**	**871,851**

AS AT 31 DECEMBER 2023	← 3 MONTHS	BETWEEN 3 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	→ 5 YEARS	TOTAL CARRYING AMOUNT
IN THOUSANDS OF EUROS					
Cash and balances with Central Banks	598,670	–	–	–	598,670
Derivative assets held for risk management	31	9,674	199,878	161,094	370,676
Loans and advances to banks	353,026	32,652	29,658	222,132	637,468
Loans and advances to public sector	6	17	82	478	583
Loans and advances to customers	223,931	638,057	2,997,906	10,272,564	14,132,458
Interest-bearing securities	30,822	–	–	–	30,822
Other assets	155,057	1,078	−13,447	21,694	164,382
Total cashflows assets	**1,361,542**	**681,478**	**3,214,076**	**10,677,962**	**15,935,060**
Derivative liabilities held for risk management	902	18,135	107,239	310,919	437,194
Deposits from banks	314,890	21,519	18,504	6,025	360,938
Funds entrusted	6,144,945	636,352	1,208,678	1,387,122	9,377,098
Debt securities issued	368,700	976,287	1,984,854	1,500,519	4,830,360
Subordinated liabilities	1,191	–	–	–	1,191

Other liabilities	80,234	13,454	–	–	93,688
Total cashflows liabilities	**6,910,862**	**1,665,748**	**3,319,275**	**3,204,584**	**15,100,470**
Net liquidity gap	**–5,549,320**	**–984,269**	**–105,198**	**7,473,379**	**834,590**

The following table presents undiscounted cashflows of liabilities of Achmea Bank. Achmea Bank has economic hedges and applied hedge accounting for these hedges.

UNDISCOUNTED CONTRACTUAL CASH FLOWS OF THE LIABILITIES

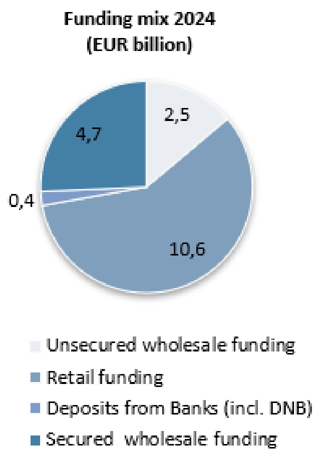
AS AT 31 DECEMBER 2024	← 3 MONTHS	BETWEEN 3 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	→ 5 YEARS	TOTAL	TOTAL CARRYING AMOUNT
IN THOUSANDS OF EUROS						
Deposits from banks	307,518	45,206	27,472	8,535	388,731	387,294
Funds entrusted	6,768,628	969,162	1,803,744	1,724,315	11,265,849	10,869,302
Debt securities issued	317,332	1,620,428	3,004,612	2,669,653	7,612,025	6,907,805
Subordinated liabilities	–	–	–	–	–	–
Derivative liabilities held for risk management	–7,980	68,798	193,832	182,045	436,695	416,257
Undrawn credit commitments	23,206	69,535	94,175	16,905	203,821	–
Total cashflows	**7,408,704**	**2,773,131**	**5,123,834**	**4,601,454**	**19,907,121**	**18,580,658**

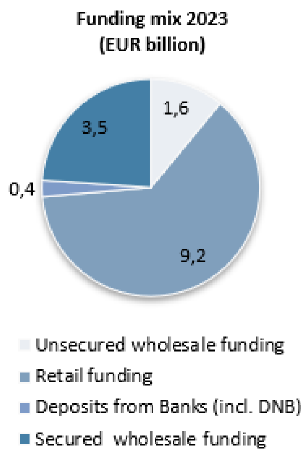
AS AT 31 DECEMBER 2023	← 3 MONTHS	BETWEEN 3 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	→ 5 YEARS	TOTAL	TOTAL CARRYING AMOUNT
IN THOUSANDS OF EUROS						
Deposits from banks	315,665	22,047	18,504	6,025	362,241	360,938
Funds entrusted	6,164,895	641,587	1,318,550	2,133,231	10,258,263	9,377,098
Debt securities issued	184,551	977,956	2,115,130	1,836,672	5,114,309	4,830,360
Subordinated liabilities	1,199	–	–	–	1,199	1,191
Derivative liabilities held for risk management	2,531	69,174	216,556	195,067	483,328	437,194
Undrawn credit commitments	15,726	47,017	65,799	15,069	143,611	–
Total cashflows	**6,684,566**	**1,757,781**	**3,734,539**	**4,186,064**	**16,362,951**	**15,006,781**

Funding Strategy

Achmea Bank has a diversified funding mix and uses retail financing as well as unsecured and secured wholesale financing. In addition, Achmea Bank maintains different maturity profiles in its funding instruments to prevent potential future refinancing concentration risk.

The following graph shows the Bank's funding mix, excluding derivatives.





Unsecured wholesale funding

Unsecured EMTN Programme

Since 2012 the Bank has a EUR 10 billion Unsecured European Medium Term Note programme. The total outstanding amount under the Programme was EUR 1.3 billion at year-end 2024 (2023: EUR 0.7 billion), including CHF denominated loans for an amount of CHF 0.2 billion (2023: CHF 0.3 billion).

French commercial paper programme

As of 2013 the Bank has a French commercial paper programme of EUR 1.5 billion. With this programme the Bank is able to access the international money markets for its short-term funding needs. The total outstanding amount under the programme was EUR 1.0 billion as at year-end 2024 (2023: EUR 0.8 billion).

Other Unsecured wholesale funding

The Bank has deposits with financial and non-financial institutions. Total outstanding amount was EUR 0.2 billion at year-end 2024 (2023: EUR 0.1 billion).

Retail funding

Achmea Bank attracts consumer savings under Achmea's Centraal Beheer label. The total savings portfolio consists of available on demand accounts of EUR 5.6 billion (2023: EUR 5.2 billion), deposits with agreed maturity of EUR 1.9 billion (2023: EUR 1.1 billion), saving deposits linked to mortgages of EUR 0.6 billion (2023: EUR 0.6 billion) and pension savings of EUR 2.5 billion (2023: EUR 2.2 billion).

Transfer of Parts

In December 2019, Achmea Bank entered into a Transfer of Parts agreement with Achmea Pensioen- en Levensverzekeringen N.V. The purpose of this agreement is to reduce the credit risk of Achmea Pensioen- en Levensverzekeringen N.V. on Achmea Bank. This risk is related to the saving deposits which are linked to mortgages of Achmea Bank. Within this agreement, only the legal ownership of the mortgages for the size of the saving deposits is transferred to Achmea Pensioen- en Levensverzekeringen N.V. and therefore continues to be recognized at the consolidated statement of financial position Achmea Bank. As at December 2024 the total amount of transferred mortgages is EUR 0.3 billion (2023: EUR 0.3 billion).

Deposits from Banks, including Central Bank

This category consists of cash collateral received on derivative exposures of EUR 52 million (2023: EUR 25 million), cash collateral SPV is redeemed in 2024 because of the liquidation of the SPV's (2023: EUR 5 million), money market loans of EUR 35 million (2023: EUR 30 million), ECB main refinancing operations of EUR 300 million (2023: EUR 300 million).

Secured wholesale funding

Covered Bond

Achmea Bank has a EUR 10 billion Soft Bullet Covered Bond (SBCB) Programme.

In January 2024 this programme was expanded from EUR 5 billion to EUR 10 billion. In 2024 the Bank issued three tranches under the SBCB Programme, In February a EUR 0.5 billion 10 years tenor, in June a EUR 0.5 billion 12 years tenor and in October EUR 0.6 billion 3 years tenor.

The bonds issued under this programme are backed by high quality Dutch residential mortgage loans. Investors benefit from a so-called 'double recourse' which means that in the event of a default of the Bank an investor has recourse on the bank and on the underlying mortgage portfolio.

The programme is UCITS eligible and Dutch Central Bank (DNB) registered. All issuances under the SBCB programme are compliant with article 129 of CRR and AAA-rated.

Achmea Bank also has a EUR 5 billion Retained Soft Bullet Covered Bond Programme (SBCB2). The shares of Achmea SB Covered Bond Company II B.V. are held by Stichting Achmea SB Covered Bond Company II. In 2024 Achmea Bank issued 4 notes under this programme. The total outstanding amount of retained covered bond was EUR 2 billion at year-end 2024. If desired the volume can be increased at short notice.

Securitisations

As at 31 December 2023, Achmea Bank had two retained RMBS notes outstanding with a total notional of EUR 1.1 billion. Due to the set-up of the retained covered bond programme and the issuance of EUR 2 billion retained covered bond the Bank no longer requires retained RMBS for its liquidity buffer. In 2024, the Bank called SRMPI and early terminated SRMPII. As at 31 December 2024 Achmea Bank has no active RMBS programme.

Trustee

Achmea Bank has entered into a Trust Agreement under which it periodically pledges mortgage receivables to Stichting Trustee Achmea Bank as collateral for some of its banking liabilities, such as private loans. In the event of default by the Bank, investors can recover their investments from the pledged mortgage receivables. Achmea Bank intends to terminate the Trust structure and is actively repurchasing loans. As a result, the outstanding volume of private loans covered by the Trustee guarantee has decreased to EUR 2 million (2023: EUR 8 million).

Encumbered and unencumbered assets

The extent of asset encumbrance provides insight into the collateral used and available for funding to be raised or for other reasons.

ENCUMBERED AND UNENCUMBERED ASSETS

AS AT 31 DECEMBER 2024

IN MILLIONS OF EUROS	ENCUMBERED ASSETS	UNENCUMBERED ASSETS	ENCUMBERED RECEIVED COLLATERAL ASSETS (OFF BALANCE)	UNENCUMBERED RECEIVED COLLATERAL ASSETS (OFF BALANCE)
	CARRYING AMOUNT	CARRYING AMOUNT		
Loans on demand	–	100,372		
Debt securities	–	–		
Loans and advances other than loans on demand	6,425,604	12,318,565		
of which: mortgage loans	6,151,765	10,870,937		
Other assets		669,492		
Assets of the reporting institution	**6,425,604**	**13,088,429**	**–**	**489,701**

AS AT 31 DECEMBER 2023

IN MILLIONS OF EUROS	ENCUMBERED ASSETS	UNENCUMBERED ASSETS	ENCUMBERED RECEIVED COLLATERAL ASSETS (OFF BALANCE)	UNENCUMBERED RECEIVED COLLATERAL ASSETS (OFF BALANCE)
	CARRYING AMOUNT	CARRYING AMOUNT		
Loans on demand	–	680,481		
Debt securities	–	30,822		
Loans and advances other than loans on demand	5,360,517	9,416,063		
of which: mortgage loans	5,074,680	9,102,572		
Other assets	–	447,177		
Assets of the reporting institution	**5,360,517**	**10,574,543**	**–**	**508,980**

Encumbered Assets
At year-end 2024, EUR 6.4 billion of the assets was encumbered (2023: EUR 5.4 billion), on account of:
- outstanding covered bonds;
- outstanding funding guaranteed by the trustee;
- asset switch;
- ECB main refinancing operations;
- collateral posted in relation to outstanding derivative positions.

The increase of the encumbered assets in 2024 was primarily the result of 3 covered bond issues (EUR 1.6 billion). The total encumbered assets mainly consist of pledged mortgages related to bonds issued under the covered bond programme (EUR 5.2 billion). The total amount of liabilities related to total encumbered assets is EUR 5.4 billion (2023: EUR 4.2 billion). Covered bonds involve overcollateralization, which means that the volume of encumbered mortgages exceeds the notional principal of the covered bond.

Unencumbered Assets
The unencumbered part of the assets amounts to EUR 13.1 billion (2023: EUR 10.6 billion). Securitised mortgages of which the bank itself holds the bonds, are not considered to be encumbered, except if these bonds are used as collateral.

Encumbered received collateral assets (off balance)
At year-end 2024 there are no outstanding repurchase transactions (2023: EUR 0 million). As a result, the governments bonds from the asset switch are fully unencumbered.

Unencumbered received collateral assets (off balance)
The unencumbered received collateral assets consists of the unencumbered part of the government bonds from the asset switch.

E. Capital management

The Bank holds sufficient buffer capital to cover the risks arising from its operations. Pillar I of the Capital Requirements Regulation (CRR) contains rules for calculating the minimum amount of capital required, in relation to credit risk, market risk and operational risk. Pillar II of the CRR calculates capitalisation of 'other risks'. In September 2023, the Bank received the AIRB status from the Dutch Central Bank (DNB) which allows the Bank to use advanced internal models to determine credit risk, strengthening the bank's credit risk management and data driven strategy further. The approval did not yet result in a lower capital requirement. The risk weighted assets for the exposures are determined according to the Standardised Approach (SA) or a RWA floor which is at least equal to SA.

For operational risk, the Bank applies the Basic Indicator Approach (BIA). As a result of a non-material net market risk, Achmea Bank's pillar I capital charge is nil.

Risk Profile

The Bank's policy is to maintain a strong and cost-efficient capital base to maintain investor, creditor and market confidence in order to sustain the future maintenance and development of business.

The DNB sets overall (capital) limits, based on its periodic Supervisory Review and Evaluation Process (SREP). The Bank complied with external and internal minimum capital requirements throughout the year with a Common Equity Tier 1 Capital ratio of 11.31 % and a Total Capital Ratio of 16.60 %.

Management and Control

The capital position of Achmea Bank is discussed during ALCo meetings at least quarterly, so that timely and appropriate action is taken if necessary. Balance Sheet Management is responsible for informing the ALCo on the expected development of the capital positions and advising the ALCo on capital planning and composition. All required decisions are accompanied by a 2nd line opinion from (Financial) Risk Management. Transactions on the financial markets are executed by Achmea Treasury department and Corporate Finance department.

Internal capital adequacy requirements and capital contingency
Achmea Bank has implemented internal processes to align the required capital to the risks the Bank faces. These processes are described in the Internal Capital & Liquidity Adequacy Assessment Process (ICLAAP) manual. Amongst other things, the manual

describes the governance structure, procedures, assumptions and methods used to determine the required capital. The Internal Capital Adequacy Assessment Process (ICAAP) safeguards that the Bank is able to meet both the current and future capital adequacy requirements of the Bank on a continuous basis. The purpose of capital contingency is to ensure that appropriate measures are taken in case of a (imminent) solvency deficit.

Developments in capital requirements

According to DNB, the COVID-19 crisis underlines the desirability of bank capital for immediate release and as a result DNB aims to build-up a 2% countercyclical capital buffer (CCyB) in a standard risk environment. Therefore, DNB has increased the CCyB from 1% to 2% in May 2024.

Basel 4 is the informal name for a set of proposed international banking reforms, scheduled to go into effect on 1 January 2025. Basel 4 includes new standards for credit risk, operational risk and credit valuation adjustment. Basel 4 introduces a SA-output floor of 72.5% (end-state) which will be gradually phased-in in 5 years starting from 50% in 2025. Until Achmea Bank receives the approval from DNB that the AIRB model lower the capital requirements, Achmea Bank is expected to apply a 100% SA-output floor.

Figures

AVAILABLE CAPITAL AND CAPITAL RATIO

IN MILLIONS OF EUROS

	2024	2023
Share capital	18	18
Share premium reserve	506	506
Reserves	280	251
Net profit for the period	68	60
Total Equity	**872**	**835**
Non-eligible result and other comprehensive income	–35	–60
Common Equity Tier 1 capital before regulatory adjustments	**837**	**775**
Prudential valuation	–1	–1
IRB excess/shortfall	–	1
Other regulatory adjustments	–	–1
Total regulatory adjustments to CET1	**–1**	**–1**
Common Equity Tier 1 Capital	**836**	**774**
Lower Tier 2	125	–
Adjustments	1	–
Tier 2 Capital	**126**	**–**
Total own funds	**962**	**774**
Total risk exposure amount	**5,043**	**4,585**
Common Equity Tier 1 Capital Ratio	**16.6%**	**16.9%**
Total Capital Ratio	**19.1%**	**16.9%**
Total SREP Capital Requirement (TSCR)	**12.1%**	**12.1%**

Common Equity Tier 1 Capital

In 2024 Common Equity Tier 1 capital increased by EUR 63 million from EUR 774 million to EUR 836 million. The increase is mainly due to addition of the 2023 (EUR 30 million) and 2024 (EUR 34 million) result excluding dividend. Achmea Bank has received approval from DNB to add the remaining portion of the net result for 2024. As Achmea Bank does not hold any additional tier 1 instruments, Tier 1 capital equals its Common Equity Tier 1 capital.

Tier 2 Capital

In 2024, Achmea Bank issued a subordinated securities of EUR 125 million that qualifies as tier 2 capital.

Risk exposure amount

Achmea Bank reports the risk weighted exposure amounts in line with the CRRII and CRDV. In 2024 the total risk exposure amount (TREA) increased with EUR 458 million from EUR 4,585 million to EUR 5,043 million, mainly due to the increase in the mortgage portfolio.

The risk weight exposure deriving from the Advanced Internal Rating Based (AIRB) model amounts to EUR 1.683 million (2023: EUR 1.714 million). The overall risk exposure as per 31 December 2024 of EUR 5.043 million includes, besides the risk exposure for the mortgages under the Standardized Approach, Other balance sheet exposures and Operational Risk exposure, an add-on of EUR 1.958 (2023: EUR 1.919) risk weight exposure for the conditional application of the AIRB due to the floor based on Standardized Approach (SA).

Requirement for own funds and Eligible Liabilities

Pursuant to the Single Resolution Mechanism (SRM) Regulation, on 20 December 2022. The Dutch Central Bank (DNB) in its capacity of National Resolution Authority (NRA) set the Minimum Requirement for own funds and Eligible Liabilities (MREL) for Achmea Bank at 10.9% of the Total Risk Exposure Amount (MREL-TREA) and at 3% of the Total Exposure Measure (MREL-TEM). At year-end 2024 the amount of available own funds was EUR 962 million (2023: EUR 774 million), which adequately covers both requirements of EUR 550 million (MREL-TREA) and EUR 675 million (MREL-TEM).

Breakdown of residential mortgages by rating grade

The table below shows the breakdown of our mortgage portfolio by Probability of Default (PD) class for the risk exposure amount AIRB approach.

BREAKDOWN OF RESIDENTIAL MORTGAGES BY RATING

PD-RISK CATEGORY RESIDENTIAL MORTGAGES BASED ON IRB MODEL

AS AT 31 DECEMBER 2024

IN MILLIONS OF EUROS

Internal rating grade	PD scaling	Average LGD	Obligor grade	EAD	RWA
1	0,00 to < 0,15	8.58%	0.06%	10,038	1,176
2	0,15 to < 0,25	7.97%	0.21%	2,195	208
3	0,25 to < 0,50	8.63%	0.42%	589	63
4	0,50 to < 0,75	9.03%	0.73%	978	127
5	0,75 to < 1,75	8.33%	1.00%	67	9
6	1,75 to < 2,50	9.50%	1.97%	228	35
7	2,50 to < 5,00	9.15%	3.66%	125	21
8	5,00 to < 10,0	8.52%	6.52%	83	15
9	10,0 to < 20,0	9.01%	12.02%	57	12
10	20,0 to < 30,0	8.74%	23.12%	13	3
11	30,0 to < 100	8.33%	52.99%	15	3
12	* 100	9.02%	100.00%	74	11
Total				**14,461**	**1,683**

AS AT 31 DECEMBER 2023

IN MILLIONS OF EUROS

Internal rating grade	PD scaling	Average LGD	Obligor grade	EAD	RWA
1	0,00 to < 0,15	8.64%	0.06%	8,850	1,145
2	0,15 to < 0,25	9.14%	0.21%	1,951	238
3	0,25 to < 0,50	9.54%	0.42%	493	64
4	0,50 to < 0,75	10.00%	0.73%	1,042	154
5	0,75 to < 1,75	8.79%	1.00%	62	9

6	1,75 to < 2,50	10.14%	1.96%	261	44
7	2,50 to < 5,00	10.20%	3.64%	117	21
8	5,00 to < 10,0	9.13%	6.52%	75	15
9	10,0 to < 20,0	9.65%	12.21%	54	11
10	20,0 to < 30,0	8.92%	23.12%	12	3
11	30,0 to < 100	7.82%	55.94%	12	3
12	* 100	9.53%	100.00%	52	9
Total				**12,980**	**1,714**

Dividend

In 2024 a dividend of EUR 30.9 million was paid out to Achmea B.V. This amount includes the 2023 net distributable profit (EUR 30 million) plus a small amount (EUR 0.9 million) of the other reserves.

F. Operational risk

Operational risk is defined as the risk of loss arising from inadequate or failed internal processes, people and systems, or from external events. This definition is in line with the definition applied by the Basel Committee on Banking Supervision (BCBS). Compliance risk is in scope of operational risk from a classification perspective, as this risk is not regarded as a separate event. However, as regulatory supervisors expect specific management and reporting on compliance risk, Achmea Bank ensures that identified compliance risks are earmarked as such. Operational risk events can lead to a financial loss for Achmea Bank and our customers and may also harm the reputation of Achmea Bank. Therefore, it is important to have a timely and adequate understanding of the risks, respond to these risks and implement effective control measures.

Operational risk areas

Achmea Bank has categorised operational risk into risk themes which are mapped to the operational risk categories as defined in the Basel regulations. In the section below, the various subcategories of operational risk and the way they are dealt with are described.

Information security and cybercrime

The risks for cybercrime are high, due to risk of malware and ransomware attacks by cyber criminals using changing techniques. Risks concerning the security of websites and privacy-sensitive information also remain high. This is in particular due to the high degree of digitalization of our services. Information security management within Achmea Bank focusses on the permanent realisation of an optimal level of availability, integrity and confidentiality of information and information systems in order not to jeopardize business continuity, not to harm the interests of customers, to protect and prevent financial and reputational damage and to comply with regulations and laws. To further strengthen the digital operational resilience Achmea Bank has implemented the Digital Operational Resilience Act (DORA), an EU regulation that is applicable from 17 January 2025. The regulation aims to strengthen the IT security of financial entities such as banks and ensure that the financial sector in Europe remains resilient in the event of a serious operational disruption. Although Achmea Bank was already required to comply with certain ICT risk governance, management, resolution and outsourcing obligations, there are differences between these obligations and the standards as laid down in DORA (e.g. DORA extends to all contracts with ICT services, not only contracts that are considered outsourcing). Consequently, Achmea Bank has performed a gap analysis. Achmea Bank is focused on the implementation of DORA and has prepared adequately and in a timely manner for the new DORA regulations.

Achmea Bank is compliant in design and existence. There are minor deviations for compliance regarding operation and therefore the implementation of the DORA will continue after January 17th. The aim is to have as much of the aftercare completed as possible in the first six months of 2025 (be it via the program or the line organization). The program facilitates the warm transfer of aftercare to the line organization.

External and internal fraud

Mutual trust is an essential condition in the relationship between employees, customers and other relations and Achmea Bank. Fraud has negative consequences in this relationship and harms the reputation of Achmea Bank and the banking industry. Furthermore, it can lead to financial loss and regulatory fines. Prevention of, and action against, fraud is therefore necessary. Achmea Bank pursues an active fraud policy and consistently takes measures against any form of fraud. The fraud management policy focuses on both internal fraud (employees and management) and external fraud (customers, suppliers and other relations). At the end of 2023 Achmea Bank became aware of potential fraudulent mortgage applications in the portfolio. An investigation into these applications was set up early 2024. In the first half of 2024, it became clear that mortgage fraud within the Dutch housing market has been taking place on a larger scale amongst mortgage lenders. Achmea Bank identified several mortgage loans that may have been provided on a fraudulent basis. Throughout 2024 Achmea Bank conducted thorough research into size, causes and impact of this incident, with support from external experts. This research continues into 2025. Based on the results, Achmea Bank has and will further strengthen its internal processes and controls where necessary. No credit losses were identified as a result of the frauds, but the incident resulted in an operational loss that materialised in 2024 (see below).

Privacy

Personal data are processed within Achmea Bank on a daily basis. In order to protect the privacy of all those involved, it is important that the processing of personal data is performed with care and in compliance with regulations and laws. Achmea Group has a privacy policy in place, which is also applicable to Achmea Bank. The policy provides guidelines for, among other things, the lawful and unlawful processing of personal data, transparency and disclosure obligation and the (timely) reporting of data breaches. Furthermore, Achmea Bank has appointed a Privacy Officer, who acts as the point of contact for all privacy-related matters within the organisation and towards partners. In doing so, the Privacy Officer works closely with the Records Official, among others, who oversees the retention and destruction of archive-worthy information and data of Achmea Bank, in compliance with the legal retention periods. Privacy risks are classified as high and are therefore an important point of attention for management. Where deemed necessary measures have been taken and improvements have been implemented (or are in progress) to adequately manage privacy risks. In 2024, data retention in particular, continued to be an important area of focus.

Data risk

Data plays a significant role within Achmea Bank as data driven network bank. In addition to increasingly stringent legal requirements, there is also a growing need to manage data from a commercial and operational perspective: by translating data into information and transforming information to knowledge, it can be used to create business value; e.g. increased insight in customer needs, -sales or service opportunities and/or lower costs. Data management is a precondition to achieve this. Achmea Bank has a robust Data Governance framework, in which assurance of data quality throughout the chain is managed. For a solid data management organisation, clear roles, decision making bodies, rules and procedures are essential. Based on this framework Achmea Bank ensures that data is correctly defined, monitored and used throughout the data life cycle.

Outsourcing risk

Achmea Bank is a data driven network bank and has a strategy of optimizing results by adding value together with our business partners. The responsibility of being a prudent financial institution sets strict obligations on how these partnerships are managed. Outsourcing risk is the risk that the continuity, integrity and quality of the outsourced activities are harmed. Achmea Bank applies a strict process when entering into and managing outsourcing arrangements, to ensure compliance with internal policies, regulations and laws. These processes were further strengthened in 2024 for all internal and external outsourcing arrangements.

Business Continuity Management

Achmea Bank has measures to safeguard business continuity and ensure a timely disaster recovery, both in terms of policies and the functioning of physical assets, including IT systems. This includes recognizing threats and their potential impact, determining the minimum required level of services to customers and other stakeholders, and implementing and testing measures to prevent major disruptions of business-critical chains and to ensure that the impact of the disruptions is limited to an acceptable proportion. The procedures for business continuity management are regularly updated and periodically tested.

Model risk

Achmea Bank uses several internal models in conducting its business. The use of such models invariably presents model risk. Model risk can lead to financial loss, poor business and strategic decision making, or damage to the bank’s reputation. To mitigate model risk Achmea Bank has a model risk framework in place. Individual models are subjected to different controls and model validations across their lifecycle depending on their impact and complexity. Model risk assessments are required which result in an overview of categorized models. Reassessment takes place on an annual basis. The assessment consists of an inventory of all models, risk assessment and mitigating measures.

Customer due diligence

Anti-money laundering and combating the financing of terrorism are critical responsibilities for the bank, emphasizing our commitment to society, in addition to being key focus areas on the monitoring agenda of supervisory authorities. In this respect, Achmea Bank functions as a gatekeeper for the financial system and in this role helps to detect and prevent financial crime and terrorism financing. Risks in this areas are mitigated by performing Customer Due Diligence, Sanction and Politically Exposed Person (PEP) screening and Transaction Monitoring in operational activities. Achmea Bank continues to strengthen capabilities in this domain, both in personnel and in systems, and the compliance function (1st and 2nd line) is continuously working to improve the CDD framework. This includes improving efficiency and effectiveness within Achmea Group by means of outsourcing and centralizing the CDD activities, while maintaining a clear oversight and overall accountability of the functioning thereof.

Duty of care

Achmea Bank considers it important to enable clients to make informed choices based on information that meets legal requirements and is understandable to an average customer. Achmea Bank has implemented a duty of care policy, based on guiding principles and compliant with regulations and laws. A sound Product Approval and Review Process is in place to ensure the effective evaluation, compliance, and alignment of products with regulatory requirements and customer needs, thereby enhancing overall quality and mitigating risks associated with new product offerings.

Integrity risk

For customers to have confidence in financial institutions, it is essential that institutions operate with integrity. For Achmea Bank, integrity is a precondition for a healthy financial system. To contribute to these objectives, Achmea Bank conducts an annual Systematic Integrity Risk Analysis (SIRA). For each integrity risk relevant scenarios are described, indicating how risks may arise through factors such as customers, employees, third parties, products and services, distribution channels or countries. Integrity risks in scope of the SIRA are: money laundering, fiscal fraud, corruption, circumvention of sanctions, financing of terrorism, conflict of interest, internal fraud, external fraud, cybercrime, market manipulation and misconduct.

Management and control of operational risk

Achmea Bank has a framework for identifying, assessing, monitoring and reporting operational risks as described above, using instruments such as (among others) Risk Self Assessments, Scenario Analysis, Loss Event Management and the internal Control Framework (CFW). The adequacy and effectiveness of the risk management and internal control system of Achmea Bank is regularly discussed with the Managing Board, the Finance & Risk Committee and the Audit & Risk Committee. For calculating its operational risk capital charge under Pillar I of the Basel framework, Achmea Bank applies the basic indicator approach. In addition, Achmea Bank performed scenario analyses in 2024 to assess the adequacy of Pillar I capital should a remote operational risk event with a (very) high financial impact occur (‘unexpected loss’). The analysis confirmed that Pillar I capital is adequate.

Losses related to operational risks

Operational losses related to operational risks include direct losses, as well as provisions for legal claims. Operational losses are recorded in the internal loss database and reported according to the risk categories as mentioned before. A net operational loss of EUR 1.067.894,- was recorded in 2024 (2023: EUR 145 thousand). This was mainly attributable to the aforementioned incident regarding mortgage fraud. The incident results in an operational loss, of which EUR 1.064.394,-, materialized in 2024. These costs consist mainly of incident response costs (internal and external research cost). No security incidents occurred in 2024 which significantly harmed or affected the provision of services to our clients.

Effectiveness of the Control Framework

Achmea Bank has in place a robust internal Control Framework (CFW). This framework is adapted continuously to changes in both the internal and external environment, to ensure controls are well-designed and effective. Key controls are assessed quarterly and action is taken if deficiencies are identified. Throughout 2024, Achmea Bank has focused on improving the control environment in high-priority areas such as Outsourcing, Cyber security, Privacy and CDD. Although improvements were recorded, challenges remain in these areas. Based on testing and monitoring results of the effectiveness of the CFW, the Managing Board has concluded that the control environment of Achmea Bank has been sufficiently effective during 2024.

Internal Control Statement

To provide insight into the adequate setup and effective functioning of the internal risk management and control system, the effective operation of the risk management and control system is systematically assessed and reported on a quarterly basis in the Risk Management & Compliance reporting. These quarterly reports present the risk profile across different risk themes based on the assessment of the internal risk management and control system, categorized into four areas: Business, Compliance, Financial Reporting, and IT.

Annually, an Internal Control Statement (ICS) is established and declared by the management to confirm whether the Risk Management & Compliance reports from the past year accurately reflect the effective functioning of the internal risk management and control system and whether the (net) risk profile presented within is reliable.

The ICS statement from Achmea Bank indicates that the Managing Board of Achmea Bank affirms the Risk Management & Compliance reports for 2024 provide an accurate representation of the effective functioning of the internal risk management and control system and the net risk profile for the year 2024.

G. Climate & Environmental Risk

Climate and environmental (C&E) risk is a relatively new area of attention within risk management that requires the fullest attention from all disciplines throughout the Bank. Sustainability risks (ESG), which include C&E risks, are also progressively attracting greater attention from the Banks' stakeholders (i.e. regulators, supervisors, customers, investors and from society at large). Consequently, the Bank is actively improving its understanding of these risks in order to ensure the future-proofing its business model and also align our strategy, governance, risk management frameworks and disclosures with supervisory expectations and guidances.

Risk Management

Achmea Bank views physical and transition C&E risks as drivers of traditional risk types, e.g. credit risk, operational risk, reputational risk and strategic risk. Achmea Bank is integrating C&E risk drivers in its risk management framework. The Bank recently approved the C&E risk framework (CERF), which also captures the risk governance and risk management practices related to C&E risks.

The CERF includes an overview which illustrates how physical and transition climate risk drivers affect the banks' financial and non-financial risks via micro- and macroeconomic transmission channels. Furthermore, in 2024 Achmea Bank performed a comprehensive materiality risk assessment of the impact of C&E drivers on the traditional risk types, following the 2023 initial materiality assessment. The C&E events that were assessed include physical risk events such as floods and drought and transition risk events such as policy and technological developments and market sentiment. The assessments include both qualitative and quantitative elements and with different time horizons up to 10 years. Where risks have been assessed as material, mitigating measures have been or will be taken, to the extent that these risks can be (directly) influenced by Achmea Bank. In future, the main risks will be further investigated and a long-term (> 10 years) horizon will also be added. We expect to gain valuable insights from these analyses. For CSRD purposes, the results of the C&E materiality risk assessment are also used as input for Achmea Bank's double materiality assessment.

Financial risks
Within the financial risk domain, the focus for the (potential) material impact of C&E drivers is on retail credit risk as residential mortgages are the core assets of Achmea Bank. In 2024 the effect of energy efficiency on the property value in the Dutch housing market was investigated and follow-up research on flood risk was conducted. In addition, the macro-economic scenarios were updated with one of the key components being the climate policy of the Dutch government. Furthermore, for funding liquidity risk, Achmea Bank investigated longer term C&E-driven impact on its wholesale funding.

The performed actions and analyses suggest that the financial impact of C&E risks on Achmea Bank's is not material for the short-term scenarios. The impact of C&E risks on long term risk will be further investigated considering a longer time horizon (> 10 years).

Non-financial risks
Achmea Bank has performed a (qualitative) analysis of C&E risks in order to identify the most important consequences for the bank's strategic (business model) and operational risk. The analysis assessed the ways in which physical and transition factors can cause or

amplify strategic and operational risks. For operational risk, the impact of physical risks (e.g. floods, drought) on the continuity of the mortgage, savings and investment customer chains (including outsourced activities and IT) and reputation risk and liability risk are particularly relevant. Based on current insights, the impact of C&E risks on Achmea Bank's operational risk is assessed as not material for the time horizons considered in the analysis (< 5 years and < 10 years). For strategic risk the analysis performed covers all relevant businesses of Achmea Bank (mortgages, savings and retail investments). In this case, transition risk is particularly relevant. The analysis carried out suggests that the impact of C&E risks on Achmea Bank's strategic risk is not material for the time horizons currently considered. As mentioned above however, the impact of C&E risks on operational risk and strategic risk will be further investigated considering a longer time horizon (> 10 years).

Risk Governance

The Managing Board is accountable for the proper integration of sustainability (risk) within all parts of the organisation and the bank's strategy. This includes expanding the areas of attention of existing risk committees with C&E-related risks as these have an impact on the bank's traditional risk types. The Management Team Sustainability (MTS) consists of senior management representatives of the key domains and is chaired by the CEO. The MTS approves implementation plans for key sustainability topics based on the ESG strategy of Achmea Bank and ensures the implementation thereof across the Bank and in related domains that are necessary for execution. The MTS is mandated to guide and align the different sustainability activities within Achmea Bank according to the principles and boundaries set in the sustainability policies that are approved via the regular governance, e.g. Finance & Risk Committee.

As Achmea Bank is continuously improving knowledge and understanding of ESG risks and further guidance and regulations from supervisory authorities is being published, developments of risk management practices will be enhanced in line with updated insights. This could lead to strategic developments, as well as updated policies and procedures. Furthermore, ongoing activities with respect to structural monitoring of ESG risks will improve risk management practices and improved alignment with e.g. expectations of the Dutch Central Bank (DNB) and relevant EBA guidelines on the integration of C&E risks in strategy, governance and risk management frameworks across the Bank.

NOTES TO SIGNIFICANT CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENT ITEMS

3. ACQUISITION DUTCH MORTGAGE PORTFOLIOS

ACCOUNTING POLICIES ACQUISITIONS

In 2024 Achmea Bank acquired two Dutch residential mortgage portfolios. These acquired portfolios have been treated as an acquisition of assets and not as a business combination according to the IFRS guidelines (IFRS 3.3). Achmea Bank identified and recognised the individual identifiable assets acquired. The cost of the portfolios is allocated to the individual identifiable assets based on their relative fair values at the date of purchase.

Initial recognition of the mortgage portfolios is at fair value, subsequent measurement is at amortised cost. The amortised cost of the financial asset is defined as the amount at which the financial asset is measured at initial recognition plus or minus any difference between that initial amount and the notional amount. Difference between fair value at initial recognition and the notional amount is amortised over the instrument's expected life or, where applicable, a shorter period.

The transaction prices were determined at signing date which were close to settlement date.

In 2024 Achmea Bank acquired two portfolios of Dutch residential mortgages from two companies (internal and external). The acquisition amounts to a total size of approximately EUR 0.8 billion notional amount. The servicer will continue to manage these mortgages for Achmea Bank.

The total impact on statement of financial position at transaction date is presented in the table below:

IMPACT ON THE STATEMENT OF FINANCIAL POSITION ACQUISITION

IN THOUSANDS OF EUROS	
AS AT INITAL RECOGNITION	
Loans and advances to customers	
Notional amount of the portfolio	785,141
Differences between fair value and notional at initial recognition	−52,251
Fair value at acquisition date	**732,890**
Cash and balances with Central Banks	
Cash balances	−732,890
Total Assets	**–**

4. LOANS AND ADVANCES TO CUSTOMERS

ACCOUNTING POLICIES LOANS AND ADVANCES TO CUSTOMERS

Loans and advances to customers are financial instruments with fixed or determinable payments that are not listed on an active market. These loans arise when the Bank lends funds or provides services directly to a debtor without the intention to trade the loans.

The Loans and advances to customers are predominantly mortgages.

Classification and measurement

Loans and advances to customers should be classified and measured in accordance with the business models of Achmea Bank as well as by the type of contractual cash flows of the underlying financial assets. Both elements determine whether they will be measured at Amortised Cost (AC), Fair Value through Other Comprehensive Income (FVOCI) or Fair Value through Profit or Loss account (FVtPL). Based on the business model assessment all mortgages are classified for as hold to collect and passed for the SPPI test. The value of the mortgage portfolio is initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Reference is made to chapter Classification and measurement of the Summary of significant accounting policies.

Impairment

The Bank recognizes loss allowances for expected credit losses (ECL) on all loans and advances to customers. According to the IFRS guidelines, the Bank uses a three-stage model: 12 Month ECL for performing loans (stage 1), lifetime ECL for under-performing financial assets (stage 2) and lifetime ECL for non-performing financial assets (stage 3).

Treatment of uncollectible loans and advances in the accounts

If after realisation of collateral, all or part of a loan or interest payment proves to be uncollectible, the amount identified as uncollectable is written off from the corresponding loss allowances for ECL. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance and then the total amount to be written off is applied against the amount of the loss allowances for ECL. Amounts that are subsequently collected are recognised as other income.

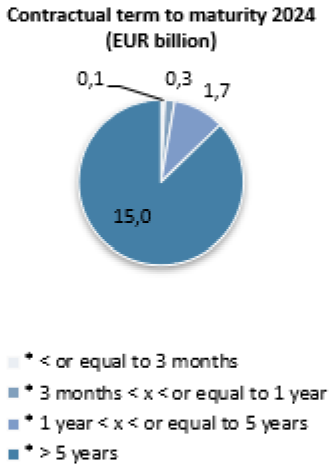
LOANS AND ADVANCES TO CUSTOMERS

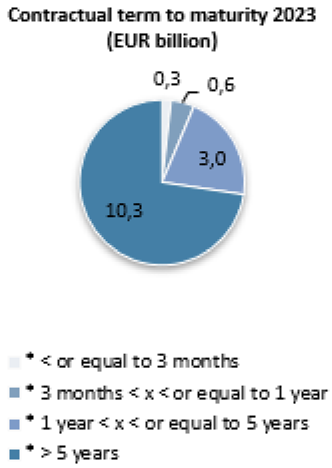
IN THOUSANDS OF EUROS	2024	2023
Loans and advances to customers regular Achmea Bank portfolio at amortised cost	16,657,996	13,570,660
Less: loss allowances ECL	9,879	9,468
Total loans and advances to customers regular Achmea Bank portfolio	**16,648,117**	**13,561,192**
Loans and advances to customers Acier loan portfolio at amortised cost	508,530	590,036
Less: loss allowances ECL	14,342	18,770
Total loans and advances to customers Acier loan portfolio	**494,188**	**571,266**
Total loans and advances to customers	**17,142,305**	**14,132,458**

Achmea B.V. issued a capped guarantee to Achmea Bank to cover credit risk and legal claims related to the Acier portfolio. Based on this contract Achmea Bank can claim a large part of the credit losses and legal claims with respect to the Acier portfolio with Achmea B.V. Further information regarding the guarantee is provided in the related parties section.

The acquired portfolios and mortgages from external platforms are reported as part of the regular Achmea Bank portfolio.

The remaining contractual term to maturity of the Loans and advances to customers net of the loss allowances for ECL, including an expected prepayment rate of 4.70% (2023: 4.00%) for both portfolios, is:





The Loans and advances to customers of the regular Achmea Bank portfolio consist of residential mortgage loans on properties in the Netherlands only. In 2024, Achmea Bank acquired new mortgage portfolios and invest in mortgages originated and serviced by external platforms. Reference is made to chapter 3 Acquisitions for more details regarding these acquired portfolios. The calculation of the ECL for these portfolios is based on the same assumptions as for the regular portfolio. For the new portfolios Achmea Bank carried out representativeness analysis on a number of important characteristics of these portfolios. Based on this analysis Achmea Bank conclude that these portfolios are sufficiently homogeneous to use the same assumptions for the calculation of the impairment charges as for the regular portfolio and that for the IFRS 9 calculation purposes no adjustment is required: the ECL model for the regular portfolio could be used as best estimate values.

The Acier loan portfolio differs in characteristics from the typical Achmea Bank mortgages. The majority consists of residential real estate mortgage loans secured by mainly Dutch residential real estate, a part is secured by commercial real estate and a small part is secured by other types of collateral. The portfolio includes also mortgages in CHF.

Achmea Bank has a residual claim after write-off of mortgage receivables of EUR 21 million (2023: EUR 22 million). The expected net recovery of this exposure is limited.

MOVEMENT SCHEDULE LOANS AND ADVANCES TO CUSTOMERS (REGULAR ACHMEA BANK PORTFOLIO)

IN THOUSANDS OF EUROS		2024		2023	
Balance as at 1 January			**13,561,192**		**11,197,411**
Changes nominal portfolio	Transfer from Regular to Acier			–	
	Loans granted	3,661,026		2,459,237	
	Acquired mortgage portfolios	785,141		790,180	
	Repayments	−1,437,023		−1,191,011	
			3,009,144		**2,058,406**
Fair value hedge accounting	Revaluation basis adjustment mortgages	130,100		442,883	
	Amortisation basis adjustment mortgages	940		−113,783	
			131,040		**329,100**
Loss allowances ECL on loans and advances					
	Additions	−10,457		−10,507	
	Releases	10,041		9,712	
	Write-offs	6		133	
			−410		**−662**
Amortised cost adjustment acquired portfolios	Initial recognition	−52,251		−36,256	
	Amortisation	3,140		−6,146	
			−49,111		**−42,402**
Other movements	Other changes	−3,738		19,339	
			−3,738		**19,339**
Balance as at 31 December			**16,648,116**		**13,561,192**

The Loans granted consist of mortgage origination under the brand Centraal Beheer at EUR 2.6 billion and new mortgages of external platforms (EUR 0.7 billion). The carrying amount of the fair value hedge adjustment is EUR 43 million (2023: EUR -88 million).

The amount under other movements consists of accounts receivable and amortisation of activated origination fees.

MOVEMENT SCHEDULE LOANS AND ADVANCES TO CUSTOMERS (ACIER LOAN PORTFOLIO)

IN THOUSANDS OF EUROS		2024		2023	
Balance as at 1 January			**571,266**		**632,574**
Changes nominal portfolio	Transfer from Regular to Acier	–		–	
	Repayments	−75,841		−77,397	
			−75,841		**−77,397**
Loss allowances ECL on loans and advances					
	Additions	−23,438		−18,776	
	Releases	22,589		12,820	
	Write-offs	5,278		4	
			4,429		**−5,952**
Other movements	Other changes	−5,666		22,041	
			−5,666		**22,041**
Balance as at 31 December			**494,188**		**571,266**

The table above shows the movement from the balance sheet and doesn’t take the guarantee into account (2024: EUR 0.0 million, 2023: EUR 6.0 million addition).

The amount under other movements consists of foreign exchange rate effects concerning the CHF Acier loan portfolio.

An addition of EUR 1.4 million (2023: EUR 2.1 million addition) has been reported in the consolidated income statement as part of impairment of financial assets. Of this, EUR 1.3 million addition (2023: EUR 2.0 million addition) is related to the Regular and Acier mortgages as reported as part of Loans and advances to customers. The remaining EUR 0.1 million addition (2023: EUR 0.1 million addition) relates to provisions for Loans and advances to Banks, Prepayments and other receivables, as well as contingent liabilities and commitments.

5. FUNDS ENTRUSTED

ACCOUNTING POLICIES FUNDS ENTRUSTED

This includes all non-subordinated liabilities other than debts to credit institutions and those included in debt securities issued.

Funds entrusted are initially recognised at fair value net of transaction costs. Subsequently financial liabilities are valued at amortised cost using the effective interest method. Any differences between the proceeds (net of transaction costs) and the redemption amount are recognised in profit or loss over the period of the borrowings using the effective interest method. The Bank recognised financial liabilities initially on the trade date, which is the date that the Bank becomes a party to the contractual provisions of the instrument. Funds entrusted are removed from the consolidated statement of financial position when the obligation is extinguished, i.e. when the contractual commitment is fulfilled, dissolved or expires. On derecognition, the difference between the disposal proceeds and the carrying amount is recognised in the statement of comprehensive income as a realised gain or loss.

FUNDS ENTRUSTED

IN THOUSANDS OF EUROS	2024	2023
* < or equal to 3 months	6,731,755	6,144,948
* 3 months < x < or equal to 1 year	937,034	636,352
* 1 year < x < or equal to 5 years	1,642,194	1,208,678
* > 5 years	1,558,319	1,387,120
	10,869,302	**9,377,098**

Funds entrusted include an amount of EUR 0.6 billion (2023: EUR 0.6 billion) related to liabilities to saving deposits linked to mortgages. At the end of 2024 EUR 6.3 billion (2023: EUR 6.0 billion) are on demand savings.

6. DEBT SECURITIES ISSUED

ACCOUNTING POLICIES DEBT SECURITIES ISSUED

This item includes bonds and other debt securities.

Debt securities issued are initially recognised at fair value net of transaction costs. Subsequently Debt securities issued are valued at amortised cost using the effective interest method. Any differences between the proceeds (net of transaction costs) and the redemption amount are recognised in profit or loss over the period of the borrowings using the effective interest method. The Bank initially recognises Debt securities issued on the date that they are originated. Debt securities are removed from the consolidated statement of financial position when the obligation is extinguished, i.e. when the contractual commitment is fulfilled, dissolved or expires. On derecognition, the difference between the disposal proceeds and the carrying amount is recognised in the statement of comprehensive income as a realised gain or loss.

DEBT SECURITIES ISSUED

IN THOUSANDS OF EUROS	2024	2023
Soft Bullet Covered Bond	4,624,966	3,485,396
Senior Unsecured Loans (EMTN Programme)	1,149,773	660,233
Commercial paper	1,013,341	822,245
Debt securities subordinated	124,275	–
	6,912,355	**4,967,874**
Accrued interest	57,294	29,735
Fair value adjustment	−58,207	−165,405
Amortised cost	−3,637	−1,844
Total carrying amount	**6,907,805**	**4,830,360**

The retained Soft Bullets Covered Bonds (EUR 2.0 billion) are eliminated upon consolidation and as such not presented in the table above.

In 2024 Achmea Bank N.V. issued EUR 125 million Tier 2 Notes under its € 10 billion European Medium Term Note Programme, which are subordinated. This is presented as 'Debt securities subordinated' in table above.

The fair value adjustment is the fair value of bonds which are included in a hedge relation as at 31 December 2024. The differences between the movement of the nominal amounts and the net cash flow from debt securities issued as recognised in the cash flow statement are due to amortisation, which are included in the nominal amounts.

The weighted average interest rate was 2,3% for the year 2024 (2023: 1.8%).

Debt securities issued according to remaining contractual term to maturity are as follows:

DEBT SECURITIES ISSUED

IN THOUSANDS OF EUROS	2024	2023
* < or equal to 3 months	317,332	368,700
* 3 months < x < or equal to 1 year	1,625,283	976,287
* 1 year < x < or equal to 5 years	2,775,426	1,984,854
* > 5 years	2,189,764	1,500,519
	6,907,805	**4,830,360**

Further details on Debt securities issued are disclosed in the Risk Management note.

7. INTEREST MARGIN

ACCOUNTING POLICIES INTEREST MARGIN

For all instruments measured at amortised cost, interest income and interest expenses are recognised in the statement of comprehensive income using the effective interest method.

The effective-interest method is a method for the calculation of the amortised cost of a financial asset or a financial liability and for the allocation of interest income and expenses to the relevant period. The calculation of the effective interest rate is based on an estimation of all contractual cash flows of the financial instrument, excluding unexpected credit losses.

Interest expenses on derivatives that are classified at fair value through profit or loss are accounted for based on nominal interest rates.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- Purchased originated credit impaired ('POCI') financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.
- Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'Stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the ECL provision).

The calculation of amortised cost includes all fees paid or received and other terms and conditions which are an integral part of the effective interest rate.

INTEREST MARGIN

IN THOUSANDS OF EUROS	2024	2023
Interest income calculated using the effective interest method	535,615	413,579
Interest income (other)	160,301	110,983
Interest expenses calculated using the effective interest method	358,248	233,277
Interest expenses (other)	109,068	86,475
Interest margin	**228,600**	**204,810**

Interest income

The total interest income can be specified as follows:

INTEREST INCOME CALCULATED USING THE EFFECTIVE INTEREST METHOD

IN THOUSANDS OF EUROS	2024	2023
Interest income calculated using the effective interest method		
Loans and advances to customers	474,271	370,185
Debt securities issued	479	1,416
Loans and advances to banks and public sector	60,865	41,978
	535,615	**413,579**
Other interest income		
Interest income related to derivatives	160,301	110,983
Total interest income	**535,615**	**524,562**

Interest income on Loans and advances to customers mainly includes interest income on mortgage loans. Other interest income includes the interest of the derivatives that are related to macro hedge relationships.

Interest expenses

The total interest expenses can be specified as follows:

INTEREST EXPENSES CALCULATED USING THE EFFECTIVE INTEREST METHOD

IN THOUSANDS OF EUROS	2024	2023
Interest expenses calculated using the effective interest method		
Deposits from banks	3,299	14,204
Loans and advances to customers	6	40
Funds entrusted	230,348	154,839
Debt securities issued	124,595	64,194
	358,248	**233,277**
Other interest expenses		
Interest expenses related to derivatives	109,062	83,028
Other interest expenses	6	3,447
	109,068	**86,475**
Total interest expenses	**467,316**	**319,752**

Interest expenses related to derivatives includes the income and expenses of the derivatives of Achmea Bank that are not related to macro hedge relationships. Other interest expenses mainly include transaction result of early repayment of funding (2024: EUR 0.3 million, 2023: EUR 3.4 million).

8. CHANGES IN FAIR VALUE OF FINANCIAL INSTRUMENTS, DERIVATIVES AND HEDGE ACCOUNTING

ACCOUNTING POLICIES DERIVATIVES AND HEDGE ACCOUNTING

Derivatives

Derivatives are financial assets or liabilities which are measured at fair value. The fair value of derivatives held may fluctuate significantly from time to time due to fluctuations in market rates and currencies. The Bank uses the following derivative financial instruments for hedging purposes.

Hedge accounting

The Bank has designated interest rate swaps as fair value hedges on the interest rate risk inherent in its mortgage portfolio (macro hedge) as well as on the interest rate risk and currency risk related to debt securities issued (micro hedge). For the application of fair value hedge accounting, the Bank documents the relationship between the hedging instruments and the hedged items or positions, as well as the risk management objective and strategy at the inception of the transaction.

Macro hedging

The Bank periodically assesses the fair value change of the macro hedge in the hedged part of the portfolio of mortgage loans attributable to the hedged risk, based on the expected interest reset date. When the Bank assesses the hedge being effective, it recognises the fair value change in the hedged part of the portfolio of mortgage loans. It is reported as a gain or loss in the statement of comprehensive income and in the consolidated statement of financial position item Loans and advances to customers.

In accordance with its hedging policy, the Bank terminates the hedging relationships and then defines the new hedging relationships for hedge accounting purposes on a monthly basis. For the terminated hedging relationships, the Bank starts with the amortisation to the statement of comprehensive income of the applicable part of the Loans and advances to customers. This asset is amortised using the effective interest method over the remaining term to maturity of the relating hedged items.

The Bank formally records whether the derivatives used in the hedging transactions are effective in offsetting changes in the fair value of hedged items, both at the start and for the duration of the hedging relationship. A hedging relationship is effective when the effectiveness lies prospectively between 95% and 105% and retrospectively between 80% and 125%. Effectiveness is measured by dividing the change in fair value of the hedging instruments by the change in fair value of the hedged item (based on the risk being hedged). To ascertain the effectiveness, the Bank performs both prospective and retrospective testing.

Micro hedging

Effectively from 1 January 2023, IFRS 9 Financial instruments have been applied for fair value micro hedge accounting. The Bank periodically assesses the fair value change of the micro hedge in the hedged part of the Debt securities issued attributable to the hedged risk, based on the expected interest reset date. The Bank recognises the fair value change in the hedged part in the consolidated statement of financial position of Debt securities issued and the gain or loss in the statement of comprehensive income. The Bank measures the change in fair value of the derivatives and recognises it as a gain or loss in the statement of comprehensive income. The fair value of the derivatives is recognised in the consolidated statement of financial position as an asset or a liability.

Achmea Bank has decided to continue to apply the EU carve out version of IAS 39 hedge accounting requirements.

Derivatives held for risk management

Interest rate swaps

Swaps are a form of ‘over-the-counter’ (OTC) derivatives which result in an economic exchange of cash flow items, such as currencies or interest rates. Achmea Bank N.V.’s credit risk corresponds to the swap contract replacement costs in the event of a counterparty default. This risk is continuously monitored, considering the current fair value, the notional amount and the liquidity in the market. To control its credit risk, the Bank only executes contracts with reputable counterparties and sets individual limits per counterparty. The Bank has bilateral margining agreements (Credit Support Annexes /CSAs) to reduce its derivative counterparty risk exposure. As of 2017 for all new interest rate swaps central clearing (EMIR) is applicable.

Foreign exchange derivatives

Foreign exchange derivatives are used to hedge the foreign exchange positions of the CHF mortgages of the Acier loan portfolio. The currency position is monitored on a monthly basis and every month this position is hedged with derivatives with a maturity of one month.

Interest Caps

An interest rate cap was utilized in the securitisation transaction SRMP I, but SRMPI and the cap are redeemed in 2024.

DERIVATIVES

AS AT 31 DECEMBER 2024	NOTIONAL	CARRYING AMOUNT	CARRYING AMOUNT
IN THOUSANDS OF EUROS	AMOUNT	ASSETS	LIABILITIES
Derivatives by type			
Interest rate swaps	16,148,097	327,471	416,236
Foreign exchange derivatives	8,471	–	20
	16,156,568	**327,471**	**416,257**
Derivatives including in fair value hedge accounting relations			
Interest rate swaps	12,884,576	238,066	401,386
	12,884,576	**238,066**	**401,386**

AS AT 31 DECEMBER 2023	NOTIONAL	CARRYING AMOUNT	CARRYING AMOUNT
IN THOUSANDS OF EUROS	AMOUNT	ASSETS	LIABILITIES
Derivatives by type			
Interest rate swaps	12,557,394	365,524	431,171
Foreign exchange derivatives	39,136	31	902
Interest caps	–	5,122	5,122
	12,596,530	**370,676**	**437,195**
Derivatives including in fair value hedge accounting relations			
Interest rate swaps	9,772,624	249,454	417,898

	9,772,624	249,454	417,898

The remaining contractual term to maturity of the Derivatives held for risk management is:

REMAINING CONTRACTUAL TERM TO MATURITY OF THE DERIVATIVES

AS AT 31 DECEMBER 2024 IN THOUSANDS OF EUROS ASSETS	NOTIONAL AMOUNT	LESS THAN THREE MONTHS	BETWEEN THREE MONTHS AND ONE YEAR	BETWEEN ONE YEAR AND FIVE YEARS	MORE THAN FIVE YEARS	TOTAL FAIR VALUE
Interest rate swaps	8,498,538	401	10,899	146,745	169,427	327,471
Foreign exchange derivatives	–	–	–	–	–	–
Interest caps		–	–	–	–	–
Total derivative assets		**401**	**10,899**	**146,745**	**169,427**	**327,471**
Liabilities						
Interest rate swaps	7,649,559	–	12,277	56,712	347,248	416,236
Foreign exchange derivatives	8,471	20	–	–	–	20
Interest caps		–	–	–	–	–
Total derivative liabilities		**20**	**12,277**	**56,712**	**347,248**	**416,257**

AS AT 31 DECEMBER 2023 ASSETS	NOTIONAL AMOUNT	LESS THAN THREE MONTHS	BETWEEN THREE MONTHS AND ONE YEAR	BETWEEN ONE YEAR AND FIVE YEARS	MORE THAN FIVE YEARS	TOTAL FAIR VALUE
Interest rate swaps	6,556,403	–	9,674	194,756	161,094	365,524
Foreign exchange derivatives	1,339	31	–	–	–	31
Interest caps		–	–	5,122	–	5,122
Total derivative assets		**31**	**9,674**	**199,878**	**161,094**	**370,676**
Liabilities						
Interest rate swaps	6,000,991	–	18,135	102,118	310,918	431,171
Foreign exchange derivatives	37,797	902	–	–	–	902
Interest caps		–	–	5,122	–	5,122
Total derivative liabilities		**902**	**18,135**	**107,239**	**310,918**	**437,194**

All derivatives are used for risk management purposes and to mitigate the Bank’s currency and interest exposure as explained in paragraph D Market risk of the Risk management paragraph. For most of the derivatives Achmea Bank applies hedge accounting.

Changes in fair value of financial instruments

The total changes in fair value of financial instruments can be specified as follows:

IN THOUSANDS OF EUROS	2024	2023
Effectiveness results of fair value hedge accounting	8,135	12,922
Amortisation effects	23,537	9,051
Other fair value effects	−35,950	−30,449
Changes in fair value of financial instruments	**−4,278**	**−8,476**

The amortisation effects are related to the hedge of mortgages and the hedge of Debts securities issued. The increase of the amortisation effects and the decrease of the ‘Other fair value effects’ are both related to the derivatives which are excluded from the macro hedge (increase amortisation effect), as offsetting the revaluation effects of new derivatives (decrease other fair value effects).

Fair value hedge accounting
The Bank applies fair value hedge accounting for part of the mortgages and the related interest rate derivatives (macro hedge accounting) in order to hedge the interest rate risk of the mortgages. The hedged item consists of a portfolio of mortgages while the hedging instrument consists of a portfolio of interest rate swaps.

The Bank also entered into derivative transactions in order to limit the interest rate risk of its funding operations. The Bank applies fair value hedge accounting (micro hedge accounting) for those derivatives. The hedged item consists of individual external loans while the hedging instrument consists of interest rate swaps.

Any ineffectiveness effect related to fair value hedge accounting is reported in the income statement as part of the effectiveness result of fair value hedge accounting.

The following table provides information about the hedged items included the Bank's consolidated statement of financial position:

DERIVATES INCLUDED IN FAIR VALUE HEDGE ACCOUNTING

AS AT 31 DECEMBER 2024 IN THOUSANDS OF EUROS	NOTIONAL AMOUNT	CARRYING AMOUNT ASSETS	CARRYING AMOUNT LIABILITIES
Micro fair value hedges			
Interest rate swaps	5,169,676	90,671	135,069
Macro fair value hedges			
Interest rate swaps	7,714,900	147,395	266,317
Total	**12,884,576**	**238,066**	**401,386**

AS AT 31 DECEMBER 2023 IN THOUSANDS OF EUROS	NOTIONAL AMOUNT	CARRYING AMOUNT ASSETS	CARRYING AMOUNT LIABILITIES
Micro fair value hedges			
Interest rate swaps	3,398,974	31,895	203,067
Macro fair value hedges			
Interest rate swaps	6,373,650	217,558	214,832
Total	**9,772,624**	**249,453**	**417,899**

The following table provides information about the hedging instruments included in the Bank's consolidated statement of financial position:

FAIR VALUE HEDGES

AS AT 31 DECEMBER 2024	NOTIONAL AMOUNT	NOTIONAL AMOUNT	ACCUMULATED AMOUNT OF FAIR VALUE ADJUSTMENTS ON THE HEDGED ITEMS	ACCUMULATED AMOUNT OF FAIR VALUE ADJUSTMENTS ON THE HEDGED ITEMS
IN THOUSANDS OF EUROS	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Micro fair value hedges				
Fixed rate bonds	–	5,719,676	–	−58,207
Macro fair value hedges				
Fixed rate mortgages	7,889,900	–	43,163	–
Total	**7,889,900**	**5,719,676**	**43,163**	**−58,207**

AS AT 31 DECEMBER 2023	NOTIONAL AMOUNT	NOTIONAL AMOUNT	ACCUMULATED AMOUNT OF FAIR VALUE ADJUSTMENTS ON THE HEDGED ITEMS	ACCUMULATED AMOUNT OF FAIR VALUE ADJUSTMENTS ON THE HEDGED ITEMS
IN THOUSANDS OF EUROS	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Micro fair value hedges				
Fixed rate bonds	–	3,398,974	–	−165,407
Macro fair value hedges				
Fixed rate mortgages	6,402,050	–	−87,879	–
Total	**6,402,050**	**3,398,974**	**−87,879**	**−165,407**

The ineffectiveness results related to the macro hedges and micro hedges are specified below.

INEFFECTIVENESS HEDGE ACCOUNTING

			NET	NET
IN THOUSANDS OF EUROS	GAIN	LOSS	2024	2023
Macro hedge				
Fair value changes in hedged items	482,388	375,505	106,884	318,162
Fair value changes in hedging instruments	384,024	479,689	−95,664	−307,701
	866,413	**855,193**	**11,219**	**10,461**
Micro hedge				
Fair value changes in hedged items	111,836	218,416	−106,580	−126,405
Fair value changes in hedging instruments	216,913	113,417	103,496	128,866
	328,749	**331,833**	**−3,084**	**2,461**
Total hedge				
Fair value changes in hedged items	594,224	593,920	304	191,757
Fair value changes in hedging instruments	600,937	593,106	7,832	−178,835
	1,195,162	**1,187,026**	**8,135**	**12,922**

NOTES TO OTHER ITEMS

9. CASH AND BALANCES WITH CENTRAL BANKS

ACCOUNTING POLICIES CASH AND BALANCES WITH CENTRAL BANKS

Cash and cash equivalents comprise cash balances as well as call deposits (including overnight deposits) with the Dutch Central Bank (DNB) and are at the Bank's free disposal. Current account overdrafts which are repayable on demand and which form an integral part of Achmea Bank's cash management are part of the Cash and cash equivalents in the statement of cash flows.

Based on the business model assessment Cash and balances with Central Banks are classified for the business model holding to collect and passed the SPPI test.

Cash and cash equivalents are measured at amortised cost.

CASH AND BALANCES WITH CENTRAL BANKS

IN THOUSANDS OF EUROS	2024	2023
Cash and balances with Central Banks	1,191,104	598,670

10. LOANS AND ADVANCES TO BANKS

ACCOUNTING POLICIES LOANS AND ADVANCES TO BANKS

Loans and advances to banks refer to receivables from banks, other than Interest-bearing securities. Based on the business model assessment Loans and advances to banks are classified for the business model hold to collect and passed the SPPI test.

Loans and advances to banks are initially recognised at fair value net of transaction costs and subsequently measured at amortised cost using the effective interest method.

LOANS AND ADVANCES TO BANKS

IN THOUSANDS OF EUROS	2024	2023
Loans and advances to banks	583,468	637,468

IN THOUSANDS OF EUROS	2024	2023
* Not available on demand	565,863	617,942
* On demand	17,605	19,526
	583,468	**637,468**

The amount not available on demand is composed of collateral for derivatives (CSA), the bank accounts related to covered bond transactions and Stichting Incasso Achmea Hypotheken and the minimum cash reserve to be maintained at DNB.

At the end of 2024 the minimum cash reserve to be maintained at DNB and collateral posted at DNB, which is not at the Bank's free disposal amounted to EUR 80.4 million (2023: EUR 63.0 million).

11. LOANS AND ADVANCES TO PUBLIC SECTOR

ACCOUNTING POLICIES LOANS AND ADVANCES TO PUBLIC SECTOR

Loans and advances to public sector refer to funds lent to public authorities.

Based on the business model assessment Loans and advances to public sector are classified for the business model hold to collect and passed the SPPI test. Loans and advances to public sector are initially recognised at fair value net of transaction costs and subsequently measured at amortised cost using the effective interest method.

LOANS AND ADVANCES TO PUBLIC SECTOR

IN THOUSANDS OF EUROS	2024	2023
Loans and advances to public sector	560	583

At December 2024 the total outstanding amount is non-current (2023: total amount is non-current).

12. INTEREST-BEARING SECURITIES

ACCOUNTING POLICIES INTEREST-BEARING SECURITIES

Based on the business model assessment interest – bearing securities are classified for the business model hold to collect and sell and passed the SPPI test. Interest-bearing securities are initially recognised at fair value net of transaction costs and subsequently measured at amortised cost using the effective interest method.

MOVEMENTS IN INTEREST-BEARING SECURITIES

IN THOUSANDS OF EUROS	2024	2023
Balance as at 1 January	**30,822**	**–**
Purchases	62,693	44,486
Sales/repayments	–94,000	–15,000
Amortisation	485	1,336
Changes in accrued interest	–	–
Balance as at 31 December	**–**	**30,822**

In 2024 Achmea Bank invested in commercial papers from other parties amounted to EUR 62.7 million (2023: EUR 44.5 million).

All securities were sold 1st half year 2024.

13. PREPAYMENTS AND OTHER RECEIVABLES

ACCOUNTING POLICIES INTEREST – PREPAYMENTS AND OTHER RECEIVABLES

Based on the business model assessment prepayments and other receivables are classified for the business model hold to collect and passed the SPPI test. Prepayments and other receivables are initially measured at fair value. After initial recognition Prepayments and other receivables are measured at amortised cost using the effective interest method.

PREPAYMENTS AND OTHER RECEIVABLES

IN THOUSANDS OF EUROS	2024	2023
Prepayments and other receivables	288,298	155,057

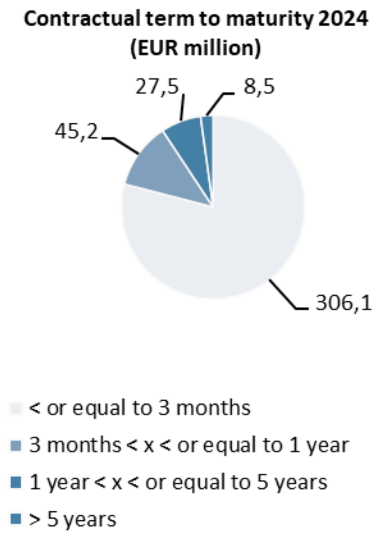
Prepayments and other receivables mainly consist of amounts related to production and repayments of mortgages. At the end of 2024 the current account notary amounted to EUR 35.7 million (2023: EUR 35.3 million). In 2024 an amount of EUR 73.8 million (2023: EUR 52.7 million) relates to the production for Achmea Pensioen- en Levensverzekeringen N.V. For an analysis of receivables within Achmea, we refer to the separate related-parties disclosure (note 29). In 2024 there are no non-current amounts (2023: EUR 0 million).

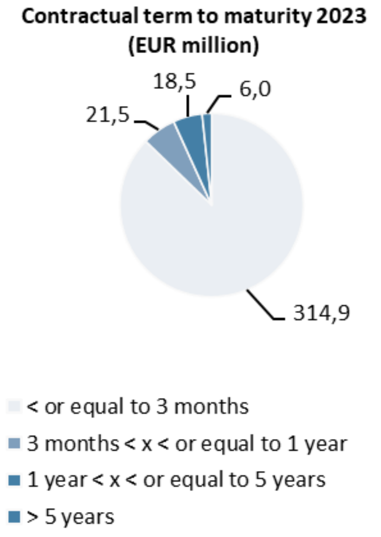
14. DEPOSITS FROM BANKS

ACCOUNTING POLICIES DEPOSITS FROM BANKS

Deposits from banks are initially measured at fair value net of transaction costs. After initial recognition, deposits from banks are measured at amortised cost, the difference between cost and redemption value being recognised in the statement of comprehensive income using the effective interest method over the term of the loans.

Total deposits from bank amounts to EUR 0.4 billion (2023: EUR 0.4 billion). The remaining contractual term to maturity of the Deposits is:





15. CURRENT TAX ASSETS AND LIABILITIES

ACCOUNTING POLICIES CURRENT TAX ASSETS AND LIABILITIES

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period and is recognised in the statement of comprehensive income. The current tax position is determined on the same basis as if Achmea bank was tax liable on a stand-alone basis.

The net current corporate tax assets of EUR 9.4 million (2023: tax liabilities EUR 13.5 million) refers to the tax receivable for the reporting period and for previous periods.

The Bank forms a fiscal unity with Achmea B.V. for company tax purposes and VAT. Within this fiscal unity the Bank is severally liable. The tax expenses are settled in the current account with the Group.

16. ACCRUALS AND OTHER LIABILITIES

ACCOUNTING POLICIES ACCRUALS AND OTHER LIABILITIES

Accruals and other liabilities are initially measured at fair value. After initial recognition accruals and other liabilities are measured at amortised cost using the effective interest method.

ACCRUALS AND OTHER LIABILITIES

IN THOUSANDS OF EUROS	2024	2023
Accruals	2,274	779
Other liabilities	89,070	79,418
	91,344	**80,197**

Accruals and other liabilities include an amount of EUR 80.2 million (2023: EUR 62.8 million), relating to liabilities to Achmea Group companies. For an analysis of these liabilities within Achmea Group, we refer to the separate related-parties disclosure (note 29). The total amount of Accruals and other liabilities is current.

17. DEFERRED TAX ASSETS AND LIABILITIES

ACCOUNTING POLICIES DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax is recognised to allow for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The deferred tax assets and/or liabilities are based on the expected way the carrying amounts of the assets and liabilities will be realised or settled in the future, using rates that are fixed on the balance sheet date. A deferred tax asset is only recognised when it is probable that taxable profits will be available in the future which can be used for the realisation of the asset. The amount of the deferred tax assets will be reduced when it is no longer probable that the related tax benefit will be realised. The most important temporary differences at Achmea Bank N.V. between the reported carrying amounts and the tax bases of the items concerned relate to the measurement of derivative financial instruments, Loans and advances to customers and Debt securities issued at fair value and at amortised cost.

There is a legally enforceable right to settle deferred tax positions and there is an intention to settle on a net basis. This is not applicable for current tax positions. The deferred tax position is determined on the same basis as if Achmea bank was tax liable on a stand-alone basis.

Deferred tax is calculated for all temporary differences at an effective tax rate of 25.8% for 2024 and for the other years. The Deferred tax assets and liabilities are related to the following items:

DEFERRED TAX

	ASSETS		LIABILITIES		BALANCE	
IN THOUSANDS OF EUROS	2024	2023	2024	2023	2024	2023
Valuation differences due to differences in tax base	4,918	36,144	–	–	4,918	36,144
Tax position asset/liability	**4,918**	**36,144**	**–**	**–**	**4,918**	**36,144**
TAX RATE	25.8%	25.8%	25.8%	25.8%	25.8%	25.8%
Net deferred tax	**1,269**	**9,325**	**–**	**–**	**1,269**	**9,325**
Correction on corporation tax due to change in tax rate	–	–	–	–	–	–
Net deferred tax	**1,269**	**9,325**	**–**	**–**	**1,269**	**9,325**

SPECIFICATION VALUATION DIFFERENCES BETWEEN COMMERCIAL AND FISCAL ACCOUNTING TREATMENT

IN THOUSANDS OF EUROS	2024	2023	2024	2023	2024	2023
Derivative assets held for risk management		59,666	–	–	–	59,666
Debt securities issued		−166,213	–	–	–	−166,213
Accrued interest		–	–	–	–	–
Loans and advances to customers	4,918	142,691	–	–	4,918	142,691
Tax position asset/liability	**4,918**	**36,144**	**–**	**–**	**4,918**	**36,144**
TAX RATE	25.8%	25.8%	25.8%	25.8%	25.8%	25.8%
Net deferred tax	1,269	9,326	–	–	1,269	9,326
Correction on corporation tax due to change in tax rate	–	–	–	–	–	–
Net deferred tax	**1,269**	**9,326**	**–**	**–**	**1,269**	**9,326**

From deferred tax assets and liabilities an amount of EUR 0.4 million is current (2023: EUR 1.1 million), the remainder is non-current.

CHANGES TO TEMPORARY DIFFERENCES

IN THOUSANDS OF EUROS	BALANCE AS AT 01-01-2024	RECOGNISED IN RESULT	RECOGNISED IN EQUITY	BALANCE AS AT 31-12-2024
2024				
Valuation differences due to differences in tax base	36,144	−31,226	–	4,918
Tax position asset/liability	**36,144**	**−31,226**	**–**	**4,918**
TAX RATE	25.8%	25.8%	25.8%	25.8%
Net deferred tax	**9,326**	**−8,056**	**–**	**1,269**

IN THOUSANDS OF EUROS	BALANCE AS AT 01-01-2023	RECOGNISED IN RESULT	RECOGNISED IN EQUITY	BALANCE AS AT 31-12-2023
2023				
Valuation differences due to differences in tax base	16,432	19,712	–	36,144
Tax position asset/liability	**16,432**	**19,712**	**–**	**36,144**
TAX RATE	25.8%	25.8%	25.8%	25.8%
Net deferred tax	**4,239**	**5,086**	**–**	**9,326**

18. PROVISIONS

ACCOUNTING POLICIES PROVISIONS

Provisions are recognised when Achmea Bank has a present legal or constructive obligation arising from events in the past and to which it is more likely than not that the settlement of the obligation requires an outflow of assets and a reliable estimate of the size of the obligation can be made.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

PROVISIONS

IN THOUSANDS OF EUROS	2024	2023
Balance as at 1 January	37	22
Addition	27	40
Releases	−45	−25
Amounts used	–	–
Balance as at 31 December	**19**	**37**

The Provisions per December 2024 consist of the calculated expected credit loss for off-balance exposures such as construction deposits, undrawn credit facilities of credit mortgages and loan commitments. The maturity of the total amount of the provisions is related to the underlying exposure of which the main part is current.

19. SUBORDINATED LIABILITIES

ACCOUNTING POLICIES SUBORDINATED LIABILITIES

Subordinated liabilities are initially recognised at fair value net of transaction costs. Subsequently financial liabilities are valued at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Subordinated liabilities are recognised on the date that they are originated.

SUBORDINATED LIABILITIES

IN THOUSANDS OF EUROS	INTEREST RATE (%)	2024	2023
Loan 1999/2024	5.68		1,191
		–	**1,191**

The interest expenses for 2024 amounted to EUR 7 thousand (2023: EUR 0.1 million).

20. TOTAL EQUITY

As 31 December 2024 Total Equity amounts to EUR 871.8 million (2023: EUR 834.6 million).

As at 31 December 2024 the authorised share capital amounted to EUR 90 million (2023: EUR 90 million), divided into 90 million shares (2023: 90 million) each with a nominal value of EUR 1 (2023: EUR 1). As at 31 December 2024 18,151,663 shares had been issued and paid up in full (2023: 18,151,663 shares). All issued shares are held by Achmea B.V.

In 2024 a dividend of EUR 30.9 million was paid out to Achmea B.V. This amount includes the 2023 net distributable profit (EUR 30.0 million) plus a small amount (EUR 0.9 million) of the other reserves.

As at 31 December 2024, the total legal reserve amounts to EUR 5.4 million (2023: EUR 6.1 million) and is included as part of the other reserves. Furthermore, the remainder part of the other reserves consists of retained earnings. The legal reserve relates to the revaluation of the acquired mortgages of a.s.r. in 2019 in the period from signing to closing of the transaction.

21. FAIR VALUE FINANCIAL ASSETS AND LIABILITIES

NOTES TO ESTIMATION OF THE FAIR VALUE FINANCIAL ASSETS AND LIABILITIES AT AMORTISED COST

Loans and advances to banks (Level 2)

The fair value of Loans and advances to banks is based on the present value of expected future cash inflows, using current market interest rates.

Loans and advances to customers or public sector (Level 3)

The fair value of Loans and advances to customers or public sector is based on the present value of expected future cash inflows, using current market interest rates. The interest rate is based on the money market and capital market, both of which are in the public domain. If possible, the Bank makes use of variables that are observable in these markets. The effects of the credit crisis (in particular liquidity and default risks) have been evaluated in measuring the fair value of Loans and advances to customers. The Bank's lending involves mortgage loans to the Dutch market only. In calculating the fair value of the Acier loan portfolio, the Bank applies an additional spread for higher credit risk.

Deposits from banks, funds entrusted and debt securities issued (Level 2)

The fair value of Deposits from banks, Funds entrusted and Debt securities issued is based on the discounted present value of the expected future cash outflows, using current market interest rates. In measuring the fair value of these items, a mark-up is applied to the effective rate of interest, including a spread which is based on the spread of the pricing of mortgages within the Bank. This mark-up has been determined specifically for each risk profile and each interest-rate band based on quotes used by the market participants.

Subordinated liabilities (level 2)

The fair value of the Subordinated liabilities is based on the discounted present value of the expected future cash outflows, using current interest rates for subordinated loans with a similar risk profile and a similar remaining term to maturity.

The table below gives a breakdown of financial instruments that are measured after initial recognition at fair value, grouped into three levels (fair value hierarchy) and based on the significance of the inputs used in determining fair value.

NOTES TO THE FAIR VALUE HIERARCHY

Valuation techniques used and valuation process for level 2 and 3 instruments

Depending on the specific assets, the Bank has set valuation policies and procedures for determining fair value. The paragraphs below explain the valuation processes and methods used for each type of financial instrument, as well giving the relevant inputs.

Interest rate derivatives (level 2)

Fair values of interest rate derivatives represent amounts estimated to be received from or paid to a third party in the settlement of these instruments. These derivatives are valued using pricing models based on the net present value of estimated future cash flows. The pricing models are based on current market data. The market data for interest rate derivatives mainly consists of the overnight index swap curve.

Foreign exchange derivatives (level 2)

Fair values of foreign exchange derivatives represent amounts estimated to be received from or paid to a third party in settlement of these instruments. These derivatives are valued using pricing models based on the net present value of estimated future cash flows. The pricing models are based on current market data. The market data for foreign exchange derivatives consist mainly of the currency and the spot exchange rate. The effect of the interest component in the valuation of the related interest period is limited due to the short term of these derivatives.

Interest caps (level 2)

In 2024 the Bank redeemed a back-to-back interest cap related to the SPV's. The pricing is based on current market data.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

The table below shows the fair value and carrying amount of the financial assets and liabilities at amortised costs.

FAIR VALUE FINANCIAL ASSETS AND LIABILITIES AT AMORTISED COST

IN THOUSANDS OF EUROS	CARRYING AMOUNT 2024	FAIR VALUE 2024	CARRYING AMOUNT 2023	FAIR VALUE 2023
Financial assets				
Loans and advances to banks	583,468	583,468	637,468	637,468
Loans and advances to customers and public sector	17,142,865	17,111,423	14,133,041	13,666,123
Financial liabilities				
Deposits from banks	387,294	387,294	360,938	360,901
Funds entrusted	10,869,302	10,872,489	9,377,098	9,293,059
Debt securities issued	6,907,805	6,918,453	4,830,360	4,767,790
Subordinated liabilities	–	–	1,191	1,193

If a financial instrument is traded in an active and liquid market, the quoted price or value is the best indicator for the fair value.

The most appropriate market price for an asset held or a liability to be issued will often be the current bid price and, for an asset to be acquired or liability held, the current offer or asking price. If the Bank holds assets and liabilities with opposite market risks, mid rates are used as a basis for determining the fair value.

If no market price is available on an active market, the fair value is calculated based on the discounted value or another valuation method based on the market conditions on the reporting date. Generally accepted methods in the financial market are the present value model and option valuation models. An accepted valuation method includes all factors that market participants deem to be important for pricing. This method should also be consistent with the accepted economic models for the valuation of financial instruments.

Principles for determining fair value:
- The market price is the best basis for valuation (if available). The use of internal estimates and assessments is kept to a minimum;
- The estimation method (valuation method) is only adjusted if 1) this results in an improvement in the valuation or 2) there is insufficient information available.

The fair value for Cash and Cash equivalents, prepayments and other receivables and accruals and other liabilities are in line with the carrying amount, which is a reasonable approximation of the fair value.

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

AS AT 31 DECEMBER 2024 IN THOUSANDS OF EUROS	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Financial assets				
Derivative assets held for risk management				
Interest rate swaps	–	327,471	–	327,471
	–	**327,471**	**–**	**327,471**
Financial liabilities				
Derivative liabilities held for risk management				
Interest rate swaps	–	416,237	–	416,237
Foreign exchange derivatives	–	20	–	20
	–	**416,257**	**–**	**416,257**

AS AT 31 DECEMBER 2023 IN THOUSANDS OF EUROS	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Financial assets				
Derivative assets held for risk management				
Interest rate swaps	–	365,524	–	365,524
Foreign exchange derivatives	–	31	–	31
Back-to-back swaps and interest caps	–	5,122	–	5,122
	–	**370,676**	**–**	**370,676**
Financial liabilities				
Derivative liabilities held for risk management				
Interest rate swaps	–	431,171	–	431,171
Foreign exchange derivatives	–	902	–	902
Back-to-back swaps and interest caps	–	5,122	–	5,122
	–	**437,195**	**–**	**437,195**

Explanation of the levels

Level 1
Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2
Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3
Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. Achmea Bank does not have any financial instruments with a level 3 classification on the face of the consolidated statement of financial position.

Changes in the fair value hierarchy in 2024
During 2024 no changes were made in classification of fair value hierarchy.

22. OTHER INCOME

ACCOUNTING POLICIES OTHER INCOME

Other income includes amounts received relating to receivables which have been written off in previous periods.

OTHER INCOME

IN THOUSANDS OF EUROS	2024	2023
Other Income	533	1,005

23. FEES AND COMMISSION INCOME AND EXPENSE

ACCOUNTING POLICIES FEES AND COMMISSION INCOME AND EXPENSE

Fees and Commission income and expense includes commission paid and received relating to mortgages, investment and saving products. The Bank received fees from Achmea Pensioen- en Levensverzekeringen N.V. (AP&L) regarding mortgages originated and serviced for AP&L. The Bank received transaction fees for providing investment services to retail customers.

The activities of Syntrus Achmea Hypotheekdiensten (a subsidiary of Achmea Bank) consist mainly of managing assets invested in mortgages. The fees that the company receives of external parties is recognised in the year in which it is earned.

Fees and commission are recognised as the related service is performed. These fees are recognised in the income statement in the same period.

FEES AND COMMISSION INCOME AND EXPENSE

IN THOUSANDS OF EUROS	2024	2023
Fees and commission income	16,919	6,306
Fees and commission expense	4,179	5,619
	12,740	**687**

Compared to 2023, fees increased with EUR 12 million to EUR 12.7 million (2023: EUR 0.7 million). The increase is a result of the restructuring of mortgage activities within Achmea, in which the fees generated by Syntrus Achmea Hypotheekdiensten B.V. (including subsidiaries) are now part of Achmea Bank N.V.

24. OPERATING EXPENSES

ACCOUNTING POLICIES OPERATING EXPENSES

Operating expenses includes staff costs and administrative expenses and are presented in the following table.

OPERATING EXPENSES

IN THOUSANDS OF EUROS	2024	2023
Staff costs	38,646	29,255
Administrative expenses	105,678	85,658
	144,324	**114,913**

Compared to 2023, operating expenses increased with EUR 29 million to EUR 144 million (2023: EUR 115 million). As a result of the acquisition of Syntrus Achmea Hypotheekdiensten, the staff costs increased with EUR 9 million to EUR 38 million (2023: EUR 29 million). Servicing and IT costs increased with EUR 3 million due to acquired portfolios and increased mortgage and savings production. The internal allocations (including the centralised Customer Due Diligence activities) increased with EUR 18 million, mainly due to the acquisition of Syntrus Achmea Hypotheekdiensten.

25. STAFF COSTS

ACCOUNTING POLICIES EMPLOYEE BENEFITS

All staff, including the Managing Board, is employed by Achmea Interne Diensten N.V., a subsidiary of Achmea B.V. Achmea Interne Diensten N.V. allocates all staff costs, including pension expenses to the various entities of Achmea Group. Allocation is based on the pensionable salary of employees currently working for Achmea Bank.

STAFF COSTS

IN THOUSANDS OF EUROS	2024	2023
Wages and salaries	20,413	16,207
Pension costs	4,424	3,396
Compulsory social security obligations	1,602	1,126
Other staff costs	12,207	8,526
	38,646	**29,255**

The average number of employees during 2024 was 263 FTEs (2023: 213 FTEs). The increase is a result of the restructuring of Achmea's mortgage activities.

26. INDEPENDENT AUDITOR'S FEES

The independent auditor's fees related to the Bank are disclosed in the consolidated financial statements of Achmea B.V. This is in accordance with article 2: 382a.3 of the Dutch Civil Code.

Our auditor, Ernst & Young Accountants LLP, has rendered, for the period to which our statutory audit relates, in addition to the audit of the statutory financial statements the following services to the company and its controlled entities:
- Syntrus Achmea Hypotheekdiensten B.V.
- Statutory audit of Stichting Trustee Achmea Bank, Achmea Soft Bullet Covered Bond Company and Soft Bullet Covered Bond Company II;
- Pool audits;
- Audit of the regulatory reports to be submitted to De Nederlandsche Bank;
- ISAE type II DGS;
- ISAE type II Rapportage Hypotheken
- Agreed upon procedures cost price models saving products Centraal Beheer;
- Several comfort letters related to funding programs.

27. INCOME TAX EXPENSES

RECONCILIATION OF THE EFFECTIVE TAX RATE

IN THOUSANDS OF EUROS	2024	2023
Operating profit before taxes	91,841	81,002
Nominal tax rate	25.8%	25.8%
Nominal tax expenses	23,701	20,899
Effective tax expenses	**23,701**	**20,899**
Effective tax rate	**25.8%**	**25.8%**

The Bank is part of a fiscal unity with Achmea B.V. for company tax purposes and VAT. The effective tax expenses consist of EUR 31.8 million current tax and EUR -8.1 million deferred tax.

28. CONTINGENT LIABILITIES AND COMMITMENTS

Legal proceedings

In October 2023, Achmea Bank N.V. received a summons for a class-action lawsuit from Stichting Compensatie Zwitserse Frank Leningen (CZFL). This summons relates to mortgage loans denominated in Swiss Franc (CHF), provided by Staalbankiers N.V. (which loans have been transferred to Achmea Bank N.V.) to several of its private banking clients.

In the summons, Stichting CZFL, acting as a claims foundation, holds Achmea Bank N.V. liable for potential damages that clients with a CHF loan have suffered or may suffer as a result of (unforeseen) CHF/EUR exchange rate developments. Achmea Bank N.V. defends itself against this claim. In previous proceedings against Staalbankiers N.V. and Achmea Bank N.V., initiated by individual clients, the judge ruled in favour of Achmea Bank N.V.

In view of the assessment of the complaints and claims on the grounds stated in CZFL's summons, no collective claims provision has been made. The legal procedure started at the court in The Hague in early 2024 and is expected to take several years. A first court hearing will take place in March 2025. Unclear is which further developments in these proceedings may follow after the hearing.

Contractual obligations

At year-end 2024 the Bank had contractual obligations for the coming year with Achmea Group companies amounting to EUR 70.8 million (2023: EUR 68.3 million), primarily in connection with ICT-related contracts, Know Your Customer activities and with Centraal Beheer for distribution.

The Bank had external contractual obligations for the coming year amounting to EUR 4.3 million (2023: EUR 3.8 million) for the servicing of the saving and investment portfolio, EUR 18.2 million in contractual obligations for the servicing of the mortgage portfolio (2023: EUR 12.8 million). Syntrus Achmea Hypotheekdiensten B.V. has an contractual obligation of EUR 14.2 million with Quion for servicing the mortgage portfolios.

Irrevocable facilities

This refers to all liabilities relating to irrevocable undertakings which could lead to credit losses, including mortgage loan proposals for EUR 1.018 million (2023: EUR 981 million), construction accounts of EUR 184 million (2023: EUR 123 million) and undrawn credit facilities of credit mortgages of EUR 19 million (2023: EUR 21 million).

CONTRACTUAL EXPIRY BY MATURITY CONTINGENT LIABILITIES AND COMMITMENTS

AS AT 31 DECEMBER 2024	← 3 MONTHS	BETWEEN 3 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	→ 5 YEARS	TOTAL
IN THOUSANDS OF EUROS					
Mortgage loan proposals	965,922	52,395		–	1,018,318
Construction deposits	23,056	69,169	92,225	–	184,450
Undrawn credit line	150	367	1,950	16,905	19,372
Total	**989,128**	**121,931**	**94,175**	**16,905**	**1,222,139**

AS AT 31 DECEMBER 2023	← 3 MONTHS	BETWEEN 3 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	→ 5 YEARS	TOTAL
IN THOUSANDS OF EUROS					
Mortgage loan proposals	926,437	54,247	624	–	981,308
Construction deposits	15,360	46,080	61,439	–	122,879
Undrawn credit line	368	944	4,369	15,069	20,750
Total	**942,165**	**101,271**	**66,432**	**15,069**	**1,124,937**

Offer pipeline Attens

Attens Hypotheken B.V. is part of the Consolidated Financial Statements of Achmea Bank N.V. Attens Hypotheken B.V. provides mortgage loans and unconditional mortgage offers to mortgage lenders. This creates an obligation to grant mortgage loans until the mortgage has been executed. As a result, Attens Hypotheken B.V. has a financial obligation to its customers. At year-end 2024 the outstanding offer pipeline amounted to EUR 289 million (2023: EUR 219 million). In return, the founder of the label Attens has provided a guarantee to Attens Hypotheken B.V. for the outstanding mortgage offers with a maximum of EUR 350 million (2023: EUR 350 million).

Offer pipeline Achmea Hypotheken

Achmea Hypotheken B.V. is part of the Consolidated Financial Statements of Achmea Bank N.V. Achmea Hypotheken B.V. provides mortgage loans and unconditional mortgage offers to mortgage lenders under the Centraal Beheer label. This creates an obligation to grant mortgage loans until the mortgage has been executed. As a result, Achmea Hypotheken B.V. has a financial obligation to its customers. At year-end 2024 the outstanding offer pipeline amounted to EUR 691 million (2023: EUR 541 million), of which EUR 558 million is offered for Achmea Bank and is also reported above within the mortgage offer proposals. The funders for which these offers have been made (via the Achmea Mortgages Investment Platform) are obligated to accept the offer pipeline.

29. RELATED PARTIES

Achmea Bank N.V. is a wholly owned subsidiary of Achmea B.V. (incorporated in the Netherlands).

Related parties are other companies within the Achmea Group, of which Achmea B.V. is the ultimate parent company, and members of the Supervisory and Managing Boards of Achmea Bank. Rabobank is a major shareholder of Achmea B.V. and is also deemed to be a related party. Within the scope of ordinary business operations, several banking transactions take place with related parties.

There are no members of the Supervisory and Managing Boards of Achmea Bank that held a mortgage loan during 2024 at Achmea Bank.

The tables below present all intercompany positions with Achmea B.V. and other companies within the Achmea Group on the consolidated financial statements.

INTERCOMPANY POSITIONS

IN THOUSANDS OF EUROS	2024	2023
Assets		
Prepayments and other receivables	92,736	61,964
Total assets	**92,736**	**61,964**
Liabilities		
Funds entrusted	568,095	642,966
Accruals and other liabilities	80,409	64,862
Total liabilities	**648,504**	**707,828**
Income		
Interest income	462	264
Commission income	12,401	5,908
Total income	**12,863**	**6,172**
Expenses		
Interest expenses	31,293	32,515
Commission expenses	348	–
Total expenses	**31,641**	**32,515**

PREPAYMENTS AND OTHER RECEIVABLES

IN THOUSANDS OF EUROS	2024	2023
Parent		
Achmea B.V.	372	4,965
Other companies within the Achmea Group		
Achmea Pensioen- en Levensverzekeringen N.V.	73,819	52,669
Achmea Interne Diensten N.V.	14,648	4,330
Achmea Real Estate B.V.	−25	–
Achmea Mortgage Funds B.V.	3,922	–
Total prepayments and other receivables	**92,736**	**61,964**

FUNDS ENTRUSTED

IN THOUSANDS OF EUROS	2024	2023
Other companies within the Achmea Group		
Achmea Pensioen- en Levensverzekeringen N.V.	540,412	615,564
Interamerican Hellenic Life Insurance Company SA	23,529	24,426
Interassistance Road Assistance Services SA	–	410
Mentor Assessors Estimator, engineers SA	407	–
Interamerican Assistance Insurance Company Single Member SA	1,582	1,524
Money Market Insurance Agents SA	836	–
Athinaiki General Clinic SA	1,330	1,043
Total funds entrusted	**568,096**	**642,967**

ACCRUALS AND OTHER LIABILITIES

IN THOUSANDS OF EUROS	2024	2023
Parent		
Achmea B.V.	234	–
Other companies within the Achmea Group		
Achmea Real Estate B.V.	702	2,814
Staal Beheer N.V.	−281	−281
Achmea Interne Diensten N.V.	19,297	10,032
Achmea Mortgage Funds B.V.	1,901	–
Achmea Pensioen- en Levensverzekeringen N.V.	58,555	50,274
Total accruals and other liabilities	**80,408**	**62,839**

INTEREST INCOME

IN THOUSANDS OF EUROS	2024	2023
Parent		
Achmea B.V.	462	264
Total interest income	**462**	**264**

COMMISSION INCOME

IN THOUSANDS OF EUROS	2024	2023
Other companies within the Achmea Group		
Staal Beheer N.V.	281	281
Achmea Schadeverzekeringen N.V.	54	–
Achmea Mortgage Funds B.V.	5,200	–
Achmea Pensioen- en Levensverzekeringen N.V.	6,866	5,627
Total commission income	**12,401**	**5,908**

INTEREST EXPENSES

IN THOUSANDS OF EUROS	2024	2023
Parent		
Achmea B.V.	3,144	758
Other companies within the Achmea Group		
Achmea Pensioen- en Levensverzekeringen N.V.	23,589	27,191
Achmea Schadeverzekeringen N.V.	742	796
Interamerican Hellenic Life Insurance Company SA	910	811
Interamerican Assistance Insurance Company Single Member SA	58	81
Interassistance Road Assistance Services SA	14	13
Athinaiki General Clinic SA	47	28
Zilveren Kruis Zorgverzekeringen N.V.	2,751	2,837
Mentor Assessors Estimator, engineers SA	7	–
Money Market Insurance Agents SA	31	–
Total interest expenses	**31,293**	**32,515**

COMMISSION EXPENSES

IN THOUSANDS OF EUROS	2024	2023
Other companies within the Achmea Group		
Achmea Mortgage Funds B.V.	348	–
Achmea Real Estate B.V.	–	32,593
Total commission expenses	**348**	**32,593**

Achmea B.V. issued a capped guarantee to Achmea Bank to cover credit risk and legal claims related to the Acier portfolio (acquired in 2015 and 2016). In 2024 EUR 0.7 million is claimed on the guarantee (2023: EUR 4.9 million) consisting of ECL additions exceeding the threshold of 20 bps of the average gross carrying amount of the Acier portfolio and legal costs or claims. The total amount claimed by Achmea Bank up to year end 2024 is EUR 30.4 million (2023: EUR 29.7 million).

The Bank entered into an Asset Switch agreement with Achmea Pensioen- en Levensverzekeringen N.V. in order to improve its liquidity position.

30. REMUNERATION OF MANAGING BOARD AND SUPERVISORY BOARD

REMUNERATION OF SUPERVISORY BOARD MEMBERS

IN THOUSANDS OF EUROS	2024	2023
Short term remuneration	111	109
	111	**109**

REMUNERATION OF MANAGING BOARD MEMBERS

IN THOUSANDS OF EUROS	2024	2023
Short-term employee benefits	727	659
Long-term employee benefits	46	34
Post-employment benefits	230	211
	1,003	**903**

The members of the Managing Board and Supervisory Board are classified as key management personnel.

In 2024 there were no adjustments or claw backs in connection with (past) remuneration to members of the Managing Board.

31. EVENTS AFTER REPORTING PERIOD

There are no events after reporting period which impact the understanding of the financial statements.

AUTHORIZATION OF CONSOLIDATED FINANCIAL STATEMENTS

Tilburg, 13 March 2025

The Managing Board

Mr. P.J. (Pierre) Huurman

Mrs. W.S. (Wendie) Cornelissen

Mr. S.J.A. (Arnoud) Kuiper

The Supervisory Board

Mr. H. (Huub) Arendse, Chairman

Mr. A.M. (Lex) Kloosterman

Mrs. D.C. (Daphne) de Kluis

Mr. J.H.G. (Hans) Snijders

ACHMEA BANK N.V. COMPANY FINANCIAL STATEMENTS

COMPANY STATEMENT OF FINANCIAL POSITION

COMPANY STATEMENT OF FINANCIAL POSITION

IN THOUSANDS OF EUROS			
AS AT THE YEAR ENDED 31 DECEMBER		2024	2023
Assets	**notes**		
Cash and balances with Central Banks	1	1,191,104	598,670
Loans and advances to banks	2	404,053	470,387
Derivative assets held for risk management	8	327,471	365,554
Loans and advances to public sector	3	560	583
Loans and advances to customers	4	17,142,305	14,132,458
Interest-bearing securities	5	–	30,822
Financial fixed assets	6	3,970	–
Receivables from subsidiaries	7	102	12,903
Current tax assets	14	10,619	–
Prepayments and other receivables	10	462,835	281,909
Deferred tax assets	9	1,269	9,326
Total Assets		**19,544,288**	**15,902,612**
Liabilities			
Deposits from banks	11	387,294	360,938
Derivative liabilities held for risk management	8	416,257	437,194
Funds entrusted	12	10,869,302	9,290,913
Borrowings	13	6,907,805	4,884,264
Current tax liabilities	14	–	13,454
Accruals and other liabilities	17	91,780	80,030
Subordinated liabilities	16	–	1,191
Provisions	15	19	37
Total Liabilities		**18,672,457**	**15,068,021**
Equity			
Share Capital		18,152	18,152
Share premium		505,609	505,609
legal reserve		5,365	6,126
Other reserves		274,565	244,600
Net profit for the period		68,140	60,104
Total Equity		**871,831**	**834,591**
Total Equity and Liabilities		**19,544,288**	**15,902,612**

COMPANY INCOME STATEMENT

COMPANY INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER	NOTES	2024	2023
IN THOUSANDS OF EUROS			
Interest income and expenses			
Interest income calculated using the effective interest method	18	535,738	413,579
Other interest income	18	160,301	110,983
Interest expenses calculated using the effective interest method	18	358,248	233,277
Other interest expenses	18	109,147	86,475
Net interest income	**18**	**228,644**	**204,810**
Changes in fair value of financial instruments	19	−4,278	−8,476
Fees and commission income	22	6,470	6,306
Fees and commission expense	22	8,473	5,619
Net fees and commission income	**22**	**−2,003**	**687**
Results of subsidiaries	20	1,100	–
Other income	21	533	1,005
Total income		**223,996**	**198,026**
Staff costs	23	33,499	29,255
Other Operating expenses	23	97,639	85,658
Impairment of financial assets	4	1,408	2,110
Total expenses		**132,546**	**117,023**
Operating profit before taxes		**91,450**	**81,003**
Income tax expenses	24	23,310	20,899
Net profit for the period		**68,140**	**60,104**
Other comprehensive income/expense net of income tax		–	–
Total comprehensive income for the period		**68,140**	**60,104**

STATEMENT OF CHANGES IN COMPANY EQUITY

STATEMENT OF CHANGES IN COMPANY EQUITY

BEFORE PROFIT APPROPORATION						
	SHARE CAPITAL	SHARE PREMIUM	OTHER RESERVES	LEGAL RESERVE	NET PROFIT	TOTAL EQUITY
IN THOUSANDS OF EUROS						
Balance at 1 January 2024	**18,152**	**505,609**	**244,600**	**6,126**	**60,104**	**834,591**
Net profit for the period	–	–	–	–	68,140	68,140
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**68,140**	**68,140**
Dividends paid	–	–	−30,900	–	–	−30,900
Appropriation of profit 2023	–	–	60,104	–	−60,104	–
Release legal reserve	–	–	761	−761	–	–
Total contributions by and distributions to Shareholders	**–**	**–**	**29,965**	**−761**	**−60,104**	**−30,900**
Balance at 31 December 2024	**18,152**	**505,609**	**274,565**	**5,365**	**68,140**	**871,831**
Balance at 1 January 2023	**18,152**	**505,609**	**245,704**	**7,001**	**13,415**	**789,881**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**60,104**	**60,104**
Dividends paid	–	–	−2,000	–	−13,394	−15,394
Appropriation of profit 2022	–	–	21	–	−21	–
Release legal reserve	–	–	875	−875	–	–
Total contributions by and distributions to Shareholders	**–**	**–**	**−1,104**	**−875**	**−13,415**	**−15,394**
Balance at 31 December 2023	**18,152**	**505,609**	**244,600**	**6,126**	**60,104**	**834,591**

As at 31 December 2024 the authorised share capital amounted to EUR 90 million (2023: EUR 90 million), divided into 90 million shares (2023: 90 million) each with a nominal value of EUR 1 (2023: EUR 1). As at 31 December 2024 18,151,663 shares had been issued and paid up in full (2023: 18,151,663 shares).

In 2024 a dividend of EUR 30.9 million was paid out to Achmea B.V. This amount includes the 2023 net distributable profit (EUR 30.0 million) plus a small amount (EUR 0.9 million) of the other reserves.

As at 31 December 2024, the total legal reserve amounts to EUR 5.4 million (2023: EUR 6.1 million) and is included as part of the other reserves. The legal reserve relates to the revaluation of the acquired mortgages of a.s.r. in 2019 in the period from signing to closing of the transaction.

The profit for the year includes the 2024 net profit.

NOTES TO THE COMPANY STATEMENT

ACCOUNTING POLICIES

GENERAL

Achmea Bank N.V. is located at Spoorlaan 298, Tilburg (the Netherlands), with its registered office in The Hague (the Netherlands). It is registered at the Chamber of Commerce under number 27154399. The core products of Achmea Bank N.V. ('the Bank' or 'Achmea Bank') consist of savings products for private individuals and Residential mortgage loans for the Dutch market. The shares of Achmea Bank are held by Achmea B.V.

PRINCIPLES FOR THE MEASUREMENT OF ASSETS AND LIABILITIES AND THE DETERMINATION OF THE RESULT

Achmea Bank N.V. makes use of the option provided in Section 362, Paragraph 8, Book 2 of the Dutch Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of Net result applied in the Company Financial Statements of Achmea Bank N.V. are the same as those applied in the Consolidated Financial Statements. By making use of this option the Equity attributable to holders of equity instruments is the same in the Consolidated Financial Statements and the Company Financial Statements.

The Company Financial Statements have been prepared in accordance with Book 2, Title 9 of the Dutch Civil Code.

Reference is made to Summary of significant accounting policies and the accounting policy for the specific items in the Consolidated Financial Statements for a description of the accounting principles used.

For additional information on items not explained further in the notes to the company financial statements, reference is made to the notes to the Consolidated Financial Statements.

CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND PRESENTATION

In 2024 there were no changes in accounting policies, estimates and presentation.

PRIOR PERIOD CORRECTIONS AND CHANGES IN PRESENTATION

In 2024, no material changes with regard to accounting policies, changes in presentations and corrections for previous periods have been made in comparison with the Consolidated Financial Statements of Achmea Bank N.V. of 2023.

1. CASH AND BALANCES WITH CENTRAL BANKS

CASH AND BALANCES WITH CENTRAL BANKS

IN THOUSANDS OF EUROS	2024	2023
Cash and balances with Central Banks	**1,191,104**	**598,670**

2. LOANS AND ADVANCES TO BANK

LOANS AND ADVANCES TO BANKS

AS AT 31 DECEMBER 2024	← 3 MONTHS	BETWEEN 3 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	→ 5 YEARS	TOTAL CARRYING AMOUNT
IN THOUSANDS OF EUROS					
Loans and advances to banks	**147,355**	**14,037**	**56,620**	**186,041**	**404,053**
AS AT 31 DECEMBER 2023	← 3 MONTHS	BETWEEN 3 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	→ 5 YEARS	TOTAL CARRYING AMOUNT
IN THOUSANDS OF EUROS					
Loans and advances to banks	**225,546**	**11,872**	**29,658**	**203,311**	**470,387**

At the end of 2024 the minimum cash reserve to be maintained at DNB and collateral posted at DNB, which is not at the Bank's free disposal amounted to EUR 80.4 million (2023: EUR 63.0 million).

3. LOANS AND ADVANCES TO PUBLIC SECTOR

LOANS AND ADVANCES TO PUBLIC SECTOR

IN THOUSANDS OF EUROS	2024	2023
Loans and advances to public sector	**560**	**583**

4. LOANS AND ADVANCES TO CUSTOMERS

LOANS AND ADVANCES TO CUSTOMERS

IN THOUSANDS OF EUROS	2024	2023
Balance as at 1 January	**14,132,458**	**11,829,985**
Changes nominal portfolio	2,933,303	1,981,009
Fair value hedge accounting	131,040	329,100
Loss Allowances ECL	4,019	−6,614
Amortised cost adjustment acquired portfolios	−49,111	−42,402
Other movements	−9,404	41,380
Balance as at 31 December	**17,142,305**	**14,132,458**

An addition of EUR 1.4 million (2023: EUR 2.1 million addition) has been reported in the company income statement as part of impairment of financial assets. Of this, EUR 1.3 million addition (2023: EUR 2.0 million addition) is related to the Regular and Acier mortgages as reported as part of Loans and advances to customers. The remaining EUR 0.1 million addition (2023: EUR 0.1 million addition) relates to provisions for Loans and advances to Banks, Prepayments and other receivables, as well as contingent liabilities and commitments.

5. INTEREST-BEARING SECURITIES

MOVEMENTS IN INTEREST-BEARING SECURITIES

	2024	2023
IN THOUSANDS OF EUROS		
Balance as at 1 January	**30,822**	**–**
Purchases	62,693	44,486
Sales/repayments	−94,000	−15,000
Amortisation	485	1,336
Changes in accrued interest	–	–
Balance as at 31 December	**–**	**30,822**

In 2024 Achmea Bank invested in commercial papers from other parties amounted to EUR 62.7 million (2023: EUR 44.5 million).

All securities were sold 1st half year 2024.

6. SUBSIDIARIES

FINANCIAL FIXED ASSETS

IN THOUSANDS OF EUROS	2024	2023
Balance as at 1 January	**–**	**–**
Acquisition 2024	2,869	–
Result of subsidiaries	1,101	–
Balance as at 31 December	**3,970**	**–**

As of 1 October 2024 Achmea Bank N.V. acquired Syntrus Achmea Hypotheekdiensten B.V., including the subsidiaries of Syntrus Achmea Hypotheekdiensten B.V., Achmea Hypotheken B.V. and Attens Hypotheken B.V.

Achmea Bank has taken over the credit facility with Syntrus Achmea Hypotheekdiensten B.V., amounting to EUR 19 million. The credit facility will mature at the end of 2026.

7. RECEIVABLES FROM SUBSIDIARIES

RECEIVABLES FROM SUBSIDIARIES

IN THOUSANDS OF EUROS	2024	2023
Receivables from subsidiaries	**102**	**12,903**

The short-term receivables relate to the liquidation of the SPVs.

8. DERIVATIVES HELD FOR RISKMANAGEMENT

DERIVATIVES HELD FOR RISK MANAGEMENT

AS AT 31 DECEMBER 2024	NOTIONAL	CARRYING AMOUNT	CARRYING AMOUNT
IN THOUSANDS OF EUROS	AMOUNT	ASSETS	LIABILITIES
Derivatives in economic hedge relationships			
Interest rate swaps	16,148,097	327,471	416,236
Foreign exchange derivatives	8,471	–	20
Interest caps	–	–	–
	16,156,568	**327,471**	**416,257**
Derivatives used as fair value hedges			
Interest rate swaps	12,884,576	238,066	401,386
	12,884,576	**238,066**	**401,386**

AS AT 31 DECEMBER 2023	NOTIONAL	CARRYING AMOUNT	CARRYING AMOUNT
IN THOUSANDS OF EUROS	AMOUNT	ASSETS	LIABILITIES
Derivatives in economic hedge relationships			
Interest rate swaps	12,557,394	365,524	431,171
Foreign exchange derivatives	39,136	31	902
Interest caps	–	5,122	5,122
	12,596,530	**370,676**	**437,195**
Derivatives used as fair value hedges			

Interest rate swaps	9,772,624	249,454	417,898
	9,772,624	**249,454**	**417,898**

9. DEFERRED TAX ASSETS

DEFERRED TAX ASSETS

IN THOUSANDS OF EUROS	2024	2023
Deferred tax assets	**1,269**	**9,326**

For more information about the deferred tax assets, reference is made to note 17 of the notes of the consolidated statement of financial positions.

10. PREPAYMENTS AND OTHER RECEIVABLES

PREPAYMENTS AND OTHER RECEIVABLES

IN THOUSANDS OF EUROS	2024	2023
Prepayments and other receivables	**462,835**	**281,909**

For more information about the prepayments and other receivables, reference is made to note 13 of the notes of the consolidated statement of financial positions.

11. DEPOSITS FROM BANKS

DEPOSITS FROM BANKS

IN THOUSANDS OF EUROS	2024	2023
* < or equal to 3 months	306,080	314,890
* 3 months < x < or equal to 1 year	45,207	21,519
* 1 year < x < or equal to 5 years	27,472	18,504
* > 5 years	8,535	6,025
	387,294	**360,938**

12. FUNDS ENTRUSTED

FUNDS ENTRUSTED

IN THOUSANDS OF EUROS	2024	2023
* < or equal to 3 months	6,731,755	6,139,366
* 3 months < x < or equal to 1 year	937,034	626,007
* 1 year < x < or equal to 5 years	1,642,194	1,177,376
* > 5 years	1,558,319	1,348,165
	10,869,302	**9,290,913**

The SPV's notes were redeemed in 2024, no saving deposits related to mortgages in the SPV entities being excluded for 2024 (2023: EUR 86 million).

13. BORROWINGS

BORROWINGS

IN THOUSANDS OF EUROS	2024	2023
* < or equal to 3 months	317,332	368,700
* 3 months < x < or equal to 1 year	1,625,283	1,018,741
* 1 year < x < or equal to 5 years	2,775,426	1,996,304
* > 5 years	2,189,764	1,500,519
	6,907,805	**4,884,264**

14. CURRENT TAX ASSETS AND LIABILITIES

The net current corporate tax asset of EUR 10.6 million (2023: tax liabilities EUR 13.5 million) refers to the tax payable for the reporting period and for previous periods.

The Bank forms a fiscal unity with Achmea B.V. for company tax purposes and VAT. Within this fiscal unity the Bank is severally liable. The tax expenses are settled in the current account with the Group.

15. PROVISIONS

PROVISIONS

IN THOUSANDS OF EUROS	2024	2023
Balance as at 1 January	**37**	**22**
Addition	27	40
Releases	−44	−25
Amounts used	–	–
Balance as at 31 December	**19**	**37**

For more information about provisions, reference is made to note 18 of the notes of the consolidated statement of financial positions.

16. SUBORDINATED LIABILITIES

SUBORDINATED LIABILITIES

	INTEREST RATE (%)		
IN THOUSANDS OF EUROS		2024	2023
Loan 1999/2024	5.68	–	1,191
		–	**1,191**

17. ACCRUALS AND OTHER LIABILITIES

ACCRUALS AND OTHER LIABILITIES

IN THOUSANDS OF EUROS	2024	2023
Accruals	1,001	612
Other liabilities	90,779	79,418
	91,780	**80,030**

18. INTEREST INCOME AND EXPENSES

INTEREST INCOME AND EXPENSES

IN THOUSANDS OF EUROS	2024	2023
Interest income calculated using the effective interest method	535,738	413,579
Other interest income	160,301	110,983
Interest expenses calculated using the effective interest method	358,248	233,277
Other interest expenses	109,147	86,475
Interest income and expenses	**228,644**	**204,810**

19. CHANGES IN FAIR VALUE OF FINANCIAL INSTRUMENTS

CHANGES IN FAIR VALUE OF FINANCIAL INSTRUMENTS

IN THOUSANDS OF EUROS	2024	2023
Changes in fair value of financial instruments	**−4,278**	**−8,476**

For more information about changes in fair value of financial instruments, reference is made to note 8 of the notes of the consolidated statement of financial positions.

20. INVESTMENT INCOME

RESULTS OF SUBSIDIARIES

IN THOUSANDS OF EUROS	2024	2023
Results subsidiaries	**1,100**	**0**

The investment income consists of the result from the 100% participation of Syntrus Achmea Hypotheekdiensten B.V.

21. OTHER INCOME

OTHER INCOME

IN THOUSANDS OF EUROS	2024	2023
Other Income	**533**	**1,005**

Other income includes amounts received relating to receivables which have been written off in previous periods.

22. FEES AND COMMISSION INCOME AND EXPENSES

FEES AND COMMISSION INCOME AND EXPENSE

IN THOUSANDS OF EUROS	2024	2023
Fees and commission income	6,470	6,306
Fees and commission expense	8,473	5,619
Fees and commission income and expense	**−2,003**	**687**

The increase of the fees and commission expenses relates to the acquisition of Syntrus Achmea Hypotheekdiensten B.V. as of October 1, 2024. The main part of the fees and commission expenses are charged to Achmea Bank by Syntrus Achmea Hypotheekdiensten B.V. As of October 1, the main part of the fees and commission expenses is reported in the income statement as part of fees and commission expenses, instead of in 2023 when 100% of the costs were amortized using the effective interest method

23. STAFF COSTS AND OTHER OPERATING EXPENSES

OPERATING EXPENSES

IN THOUSANDS OF EUROS	2024	2023
Staff costs	33,499	29,255
Administrative expenses	97,639	85,658
Operating expenses	**131,138**	**114,913**

24. TAX EXPENSES

INCOME TAX EXPENSES

IN THOUSANDS OF EUROS	2024	2023
Income tax expenses	**23,310**	**20,899**

25. AUDIT FEES

For more information about the audit fees, reference is made to the note 26 of the notes of the consolidated statement of financial positions.

26. CONTINGENT LIABILITIES AND COMMITMENTS

For more information about the contingent liabilities and commitments, reference is made to the note 28 of the notes of the consolidated statement of financial positions.

In addition for the company statements of financial positions, Achmea Bank has a credit facility with Syntrus Achmea Hypotheekdiensten B.V. amounting to EUR 19 million, of which EUR 7 million is undrawn.

PROFIT APPROPRIATION

The Managing Board of Achmea Bank proposes to pay a dividend of EUR 34.9 million to its shareholder Achmea B.V. and to add the remainder part of the net distributable profit of EUR 33.2 million to the other reserves.

AUTHORIZATION OF COMPANY FINANCIAL STATEMENTS

Tilburg, 13 March 2025

The Managing Board
Mr. P.J. (Pierre) Huurman

Mrs. W.S. (Wendie) Cornelissen

Mr. S.J.A. (Arnoud) Kuiper

The Supervisory Board
Mr. H. (Huub) Arendse, Chairman

Mr. A.M. (Lex) Kloosterman

Mrs. D.C. (Daphne) de Kluis

Mr. J.H.G. (Hans) Snijders

OTHER INFORMATION

PROFIT APPROPRIATION ACCORDING TO THE ARTICLES OF ASSOCIATION

The appropriation of profits is subject to Article 18 of the Articles of Association of Achmea Bank N.V. as follows:

Article 18 Profits and losses
18.1. Profits shall be at the unrestricted disposal of the General Meeting;
18.2. The Bank shall only be entitled to make payments to the shareholders and other parties entitled to distributable profits if its total equity exceeds the amount of the issued capital plus the reserves to be maintained by law;
18.3. Profits shall only be distributed after the adoption of financial statements showing that such distribution is permissible;
18.4. The General Meeting may decide that an interim dividend shall be distributed, including an interim distribution from the reserves, subject to the provisions of article 2:105.4, of the Dutch Civil Code;
18.5. Dividends shall be made payable directly after their declaration, unless another date is determined by the General Meeting;
18.6. Dividends that have not been collected within five years of becoming payable shall accrue to the Bank.

INDEPENDENT AUDITOR'S REPORT

To: the general meeting and the Supervisory Board of Achmea Bank N.V.

Report on the audit of the financial statements 2024 included in the annual report

Our opinion
We have audited the accompanying financial statements 2024 of Achmea Bank N.V. (hereinafter: Achmea Bank or the company) based in The Hague, the Netherlands. The financial statements comprise the consolidated financial statements and the company financial statements.

In our opinion:
- The consolidated financial statements give a true and fair view of the financial position of Achmea Bank as at 31 December 2024 and of its result and its cash flows for 2024 in accordance with International Financial Reporting Standards as adopted in the European Union (EU-IFRSs) and with Part 9 of Book 2 of the Dutch Civil Code
- The company financial statements give a true and fair view of the financial position of Achmea Bank as at 31 December 2024 and of its result for 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:
- The consolidated statement of financial position as at 31 December 2024
- The following statements for 2024: the consolidated statements of comprehensive income, changes in equity and cash flows
- The notes comprising material accounting policy information and other explanatory information

The company financial statements comprise:
- The company statement of financial position as at 31 December 2024
- The company income statement for 2024
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of Achmea Bank in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for professional accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion
We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the business
Achmea Bank is a bank with a focus on residential mortgage loans and savings as its most important products for Dutch retail clients. Besides savings, the company obtains a substantial part of its funding in the form of unsecured and secured notes issued on the capital markets. We paid specific attention in our audit to a number of areas driven by the operations and our risk assessment.
Achmea Bank is a wholly-owned subsidiary of Achmea B.V. and references to departments and functions in this section concern the departments and functions from Achmea Bank and/or Achmea B.V.

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality

Materiality	€9 million (2023: €8 million)
Benchmark applied	1% (rounded) of total equity as at 31 December 2024 (2023: 1% (rounded) of total equity)
Explanation	Based on our professional judgment and our perception of the financial information needs of the users of the financial statements, a benchmark of 1% of total equity is an appropriate quantitative indicator of materiality as it best reflects the financial position of Achmea Bank. We determined materiality consistently with the previous year.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements in excess of €450.000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the audit and use of service organizations
In order to obtain sufficient and appropriate audit evidence to provide an opinion on the financial statements, we have performed a full-scope audit on the consolidated financial information of Achmea Bank as a whole (no components) and by one audit team.

Achmea Bank uses several service organisations, both within Achmea B.V. as well as externally, for its day-to-day operations, including the outsourcing of its mortgage administration services. We are responsible for planning and performing the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the financial information for Achmea Bank prepared by service organizations as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision, review and evaluation of the audit work performed by the (service) auditors and we assessed their independence, capability and objectivity. We bear the full responsibility for the auditor’s report.

We obtained evidence about the controls performed by the various service organisations through obtaining and evaluating ISAE 3402 type 2 assurance reports and leveraging on work performed by the auditors of the service providers. We evaluated the ISAE 3402 type 2 assurance reports, to the extent necessary for the purpose of our audit of the financial statements, and special purpose auditor’s reports related to mortgage portfolios of Achmea Bank once they were finalised, and we performed a review of the audit file.

Based on these procedures performed, we concluded that we could rely on the work of these auditors for the purpose of our audit and we have been able to obtain sufficient and appropriate audit evidence about Achmea Bank's financial information to provide an opinion about the financial statements.

Teaming, use of specialists and internal audit
We ensured that the audit team included the appropriate skills and competences which are needed for the audit of a mortgage bank. We included specialists in the areas of IT audit, forensics, legal and income tax and have made use of our own experts in the areas of credit risk modelling, valuations of derivatives, hedge accounting and regulatory reporting.

We performed our audit in cooperation with Internal Audit of Achmea B.V., leveraging their in-depth knowledge of Achmea Bank and work performed. We agreed on the joint coordination of the audit planning, the nature and scope of the work to be performed, reporting and documentation. We evaluated and tested the relevant work performed by Internal Audit to satisfy ourselves that the work was adequate for our purposes and established what work had to be performed by our own professionals.

Our focus on climate-related risks and the energy transition
Climate change and the energy transition are high on the public agenda and lead to significant change for many businesses and society. The managing board summarized the Achmea Bank's commitments and obligations, and reported in the section "Sustainable Organization" of the managing board report how the company is addressing climate-related and environmental risks also taking into account related regulatory and supervisory guidance and recommendations. Furthermore, we refer to section "Environmental, Social & Governance" of the annual report where the managing board discloses its assessment and implementation plans in connection to climate-related risks and the effects of energy transition.

As part of our audit of the financial statements, we evaluated the extent to which climate-related risks and the effects of the energy transition and the company's commitments and (constructive) obligations, are taken into account in estimates and significant assumptions as well as in the design of relevant internal control measures. Furthermore, we read the managing board report and considered whether there is any material inconsistency between the non-financial information in section "Environmental, Social & Governance" and the financial statements.

Based on the audit procedures performed, we do not deem climate-related risks to have a material impact on the financial reporting judgements, estimates or significant assumptions as at 31 December 2024.

Our focus on fraud and non-compliance with laws and regulations
Our responsibility
Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our audit response related to fraud risks
We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and the managing board's process for responding to the risks of fraud and monitoring the system of internal control and how the Supervisory Board exercises oversight, as well as the outcomes. We refer to Section "Risk Management" of the managing board report for the managing board's risk assessment after consideration of potential fraud risks.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all companies. For these risks we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in section "K. Critical estimates and judgments used in applying the accounting policies'" of Note 1 to the consolidated financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties. As described in our key audit matter ''Estimation of expected credit losses on loans and advances to customers and related disclosures'', we specifically considered the risk of management override of controls in connection with assumptions such as macro-economic scenarios and forward-looking information in the determination of the expected credit losses that may represent a risk of material misstatement due to fraud.

When identifying and evaluating fraud risks we presumed that there are risks of fraud in revenue recognition. We concluded that this risk is in areas that are complex or with higher subjectivity in meeting revenue recognition criteria, such as recognition of penalty interest on retail mortgages in case of interest averaging. We designed and performed our audit procedures relating to revenue recognition responsive to this presumed fraud risk.

We considered available information and made enquiries of relevant executives, directors, internal audit, legal, operational risk and compliance department, and the audit & risk committee of the Supervisory Board.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations
We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the managing board and compliance, inspection of the integrity risk analysis (SIRA), reading minutes, inspection of reports from the operational risk and compliance department and internal audit and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected lawyers' letters and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit, in particular relating to indications for (possible) deficiencies relating to compliance with the Dutch Act on the prevention of money laundering and financing of terrorism. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern
As disclosed in section "D. Basis of presentation" of the section "General" to the consolidated financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the managing board made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with the managing board exercising professional judgment and maintaining professional skepticism. We considered whether the managing board's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern, and whether the company will continue to comply with prudential requirements. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Our key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

In comparison with previous year, we have included Reliability and continuity of the information technology and systems as a key audit matter. The nature of the other key audit matters remained unchanged.

Estimation of expected credit losses on loans and advances to customers and related disclosures	
Risk	Consumer loans included in the "Loans and advances to customers" are predominantly residential mortgages. The Acier loan portfolio included in the ''Loans and advances to customers'' is also secured by commercial real estate and other collateral. Residential mortgages are measured at amortized cost, less impairment allowances for expected credit losses. At 31 December 2024 the total loans and advances to customers amounts to € 17.1 billion (2023: € 14.1 billion) and expected credit loss provisions of € 24.2 million (2023: € 28.2 million) are reported and disclosed in note 6 to the financial statements. As disclosed in more detail in note 4. "Loans and advances to customers" and note 2. "Risk Management" under B. Credit risk to the consolidated financial statements, the impairment allowances for expected credit losses are based on assumptions such as the probability of default, the loss given default, the exposure at default, the allocation of loans to stages and the use of macro-economic scenarios and forward looking information. In response to the higher estimation uncertainties for Climate related risks and Interest-Only mortgages portfolio, a management overlay has been recognized. The appropriateness of impairment allowances for expected credit losses is a key area of judgment for the managing board. The identification of expected credit losses and the determination of the recoverability of residential mortgage, are inherently uncertain processes involving assumptions and factors including scenarios for inflation and housing prices. The use of

	alternative modelling techniques and assumptions could produce significantly different estimates of loan loss provisions. Given the relative size of the loans and advances to customers of Achmea Bank, the complex accounting requirements with respect to calculating impairment allowances for expected credit losses and related disclosures, the subjectivity involved in the judgments made and our consideration of the potential risk of management override of controls or other inappropriate influence over the estimation process, we considered this to be a key audit matter.
Our audit approach	Our audit procedures included, amongst others, evaluating the appropriateness of Achmea Bank's accounting policies related to expected credit losses according to IFRS 9 "Financial Instruments" and whether the accounting policies have been applied consistently. We have obtained an understanding of the loan loss provisioning process and evaluated the design and tested operating effectiveness of internal controls across the processes relevant to the expected credit loss calculations, and performed substantive procedures, such as individual credit file review, and for the Acier portfolio based on a risk-based sample testing. The substantive procedures also included the allocation of loans into stages, model governance, data accuracy and completeness, arrears management, multiple economic scenarios, post model adjustments, journal entry testing and disclosures. We performed an overall assessment of the provision levels by stage to determine if they were reasonable considering the risk profile of the mortgage portfolio, arrears management and credit risk management practices and the macroeconomic environment. We challenged the criteria used to allocate loans to stage 1, 2 or 3 in accordance with IFRS 9 and tested a sample of loans on appropriate staging. We tested the data used in the calculation of expected credit losses by reconciliation to source systems. Finally, we evaluated the completeness and accuracy of the disclosures relating to the impairment allowances for expected credit losses in accordance with the disclosure requirements of IFRS 7 'Financial instruments: disclosures'. In particular we evaluated that these disclosures adequately convey the degree of estimation uncertainty and the range of possible outcomes under the different economic scenarios.
Key observations	Based on our procedures performed we consider the impairment allowances for expected credit losses on loans and advances to customers to be reasonable and in accordance with EU-IFRSs. The disclosures relating to the provision for expected credit losses in accordance with the requirements of EU-IFRSs.

Application of hedge accounting and related disclosures	
Risk	Achmea Bank has designated derivatives held for risk management purposes in two hedging strategies: fair value hedges on interest rate risk in its mortgage portfolio (macro hedge) and interest rate risk and currency risk related to debt securities issued (micro hedges). The derivatives are measured at fair value through profit or loss and amount to € 327 million (2023: € 371 million) of assets and € 416 million (2023: € 437 million) liabilities. The application of hedge accounting enables the synchronization of the reported results for the hedging instrument and the hedged position, insofar the hedge is effective and the hedge relation is formally documented. Achmea Bank has developed specific models to calculate hedge

	effectiveness. Both the fair value adjustments of the hedged position related to the hedged risk and the fair value adjustments of the derivatives are recorded in the statement of comprehensive income as changes in fair value of financial instruments including any resulting ineffectiveness. For the year ended 31 December 2024 Achmea Bank recorded a hedge accounting ineffectiveness as disclosed in note 8 ‘’Changes in fair value of financial instruments, derivatives and hedge accounting’’ of € 8 million positive (2023: € 13 million positive). The hedge accounting models used by Achmea Bank to determine the effectiveness of the hedges required significant auditor’s attention and the application of hedge accounting is considered a key audit matter as well as the related disclosures. The process, including the technical requirements for the application of hedge accounting, is complex, highly subjective and based on assumptions.
Our audit approach	Our audit procedures included, amongst others, evaluating the appropriateness of Achmea Bank’s hedge accounting policies in accordance with IFRS 9 (micro hedges) and the EU carve-out version of IAS 39 (macro hedge) hedge accounting requirements, and whether the interest rate swaps, foreign exchange derivatives and interest caps are eligible for hedge accounting. We evaluated the design and implementation of the controls over the hedge accounting process. In our audit we have tested, on a sample basis, whether the hedge documentation meets the requirements of EU-IFRSs. Furthermore, our derivative valuation specialist and hedge accounting specialists have been involved to evaluate whether the hedge relationships are effective and the hedge effectiveness has been calculated accordingly. Finally, we evaluated the completeness and accuracy of the disclosures relating to derivatives and hedge accounting in accordance with the disclosure requirements included in EU-IFRSs.
Key observations	Based on our procedures performed no material findings were noted with respect to the adequacy of the hedge documentation and the hedge effectiveness tests. We found the disclosure on hedge accounting in accordance with EU-IFRSs.

Reliability and continuity of the information technology and systems	
Risk	The activities and financial reporting of Achmea Bank are highly dependent on the reliability and continuity of information technology and systems. Effective general IT-controls with respect to change management, logical access, infrastructure and operations, are important to support the integrity and continuity of the electronic data processing as well as the operating effectiveness of the automated controls and accuracy of financial reporting. Achmea Bank is inherently subject to higher risks of cybersecurity attacks. There is a risk that the general IT control measures may not always operate as intended and, as a result, controls are ineffective. Based on the above, we identified the reliability and continuity of the information technology and systems as a key audit matter.
Our audit approach	IT audit professionals are an integral part of the audit team and assessed the reliability and continuity of the information technology and systems to the extent necessary for the scope of our audit of the financial statements. Our audit was not primarily designed to express an opinion on the continuity and reliability of Achmea Bank’s automated data processing (or parts thereof). As

	part of our audit procedures, we assessed the impact of changes to the IT environment during the year. Furthermore, we performed the following procedures: Evaluating the design of the IT general control processes and testing the operating effectiveness of general IT controls for the main IT processes. This was done for the IT applications in scope of our financial statements audit as well as for the underlying operation systems including database management and tooling supporting the IT processes. Designing and executing IT substantive procedures when IT controls where lacking or not operating effectively. Reviewing relevant reports of vendors on the design and operating effectiveness of internal controls when one or more of the main IT processes have been outsourced, including critical cloud computing outsourcing. Testing application controls over data processing, data feeds and interfaces were relevant for the financial reporting. Evaluating key IT related projects and data migrations relevant to the financial statements audit. Our audit was not aimed at making a statement about the cybersecurity procedures, controls and reporting of Achmea Bank. However, we did obtain an understanding of the cybersecurity procedures, controls and reporting as performed by Achmea Bank.
Key observations	Based on our IT general controls testing procedures and IT substantive procedures, we have obtained sufficient and appropriate evidence about the reliability and continuity of the information technology and systems that are relevant in the context of our audit of the financial statements.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:
Is consistent with the financial statements and does not contain material misstatements;
Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The managing board is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the shareholder as auditor of Achmea Bank on 16 December 2019, as of the audit for the year 2021 and have operated as statutory auditor ever since that date.

No prohibited non-audit services
We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of the managing board and the Supervisory Board for the financial statements
The managing board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRSs and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the managing board is responsible for such internal control as the managing board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the managing board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the managing board should prepare the financial statements using the going concern basis of accounting unless the managing board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The managing board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements
Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.
Our audit further included among others:
- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the managing board
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures

- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication
We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit & risk committee of the Supervisory Board in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor’s report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 13 March 2025

EY Accountants B.V.

Signed by R. Koekkoek

Colophon and contact information

Colophon
This is the English version of our 2024 annual report. There is no Dutch version of this report. The annual report can be downloaded from our website achmeabank.com.

We are happy to receive your reaction concerning this annual report via the address mentioned below.

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