

The background image shows three men in business attire standing on a modern staircase with a glass railing. They are engaged in a conversation, with one man pointing towards the railing. A white network diagram with circular nodes and connecting lines is overlaid on the right side of the image. A blue rounded rectangle is positioned on the left side of the image, containing the text 'Achmea Bank' and 'The bank that connects'.

**Achmea Bank**

The bank  
that connects

# Achmea Soft Bullet Covered Bond Investor Presentation

Tilburg | June, 2024

# Executive summary

## Achmea Bank highlights

### Well established originator

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

### Low Risk

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

### Strong ratings profile

- Fitch: A/F1 (stable outlook)                      reaffirmed April 2024
- S&P: A-/A-2 (stable outlook)                      reaffirmed September 2023

| KEY FIGURES (IN EUR MILLION)   |         |         |
|--------------------------------|---------|---------|
| Achmea Bank NV                 | FY 2023 | FY 2022 |
| Total assets                   | 15,935  | 13,933  |
| Mortgages (nominal)            | 14,378  | 12,432  |
| Savings                        | 9,308   | 7,835   |
| Capital base                   | 774     | 776     |
| Risk Weighted Assets           | 4,585   | 4,264   |
| Profit before income taxes     | 81      | 18      |
| LCR (Liquidity Coverage Ratio) | 164%    | 211%    |
| Leverage Ratio                 | 4.8%    | 5.4%    |
| NIM (Net Interest Margin)      | 1.54%   | 0.98%   |
| Common Equity Tier 1 Ratio     | 16.9%   | 18.2%   |
| Total Capital Ratio            | 16.9%   | 18.2%   |

# Executive summary

## Soft Bullet programme highlights

|  |   |
|--|---|
| <b>Issuer</b>                          | Achmea Bank N.V.  |
| <b>Programme Size</b>                  | EUR 10 billion  |
| <b>Format</b>                          | Soft Bullet   |
| <b>Extension Period</b>                | Maximum of 12 months  |
| <b>Rating (S&amp;P)</b>                | AAA   |
| <b>Guarantor</b>                       | Achmea SB Covered Bond Company B.V.   |
| <b>Collateral</b>                      | Prime Dutch Residential Mortgages   |
| <b>Originators</b>                     | Achmea Bank N.V. and Achmea Hypotheken B.V.   |
| <b>Favourable Regulatory Treatment</b> | <ul style="list-style-type: none"><li>• Qualify as LCR eligible (Level 1)</li><li>• Solvency II eligible</li><li>• ECB CBPP3 eligible</li><li>• UCITS and CRR article 129 compliant</li><li>• ECB repo eligible</li></ul> |
| <b>Governing Law</b>                   | <ul style="list-style-type: none"><li>✓ Dutch Covered Bond Regulations</li><li>✓ European Covered Bond (Premium) Label</li></ul>  |
| <b>Robust Structure</b>                | <ul style="list-style-type: none"><li>• Strong programme tests: ACT &amp; AT</li><li>• Asset Percentage of 93.47%</li></ul>   |
| <b>Reporting</b>                       | NTT and HTT reporting (ECBC Covered Bond Label)   |

### Currently, eight Soft Bullet Covered Bonds outstanding

- Issued an inaugural EUR 500 million 15 years Soft Bullet Covered Bond (SB CB) transaction in September 2021, followed by a 7 years transaction in 2022 and two transactions in 2023 (7yr and 3 yr)
- After a successful consent solicitation, Achmea Bank finalized the transfer of the three CBs issued under its Conditional Pass-Through (CPT CB) programme to its SB CB programme in June 2023
- In February 2024 Achmea Bank issued its eight EUR 500 mln (10yr) transaction.

### Mortgage loan portfolio

- Total mortgage book of EUR 14.4 billion, including portfolios from Acier, a.s.r., Obvion and Dynamic Credit Hypotheken
- Strong production increase Achmea Hypotheken (AMIP) through 2022 and 2023
- New agreements in 2023 with a.s.r. and DMFCO (Munt) to increase mortgage production for the next three years
- High quality mortgage portfolios with low historic arrears and write-offs
- Currently, only Achmea Bank and Achmea Hypotheken mortgages are eligible for the Soft Bullet Covered Bond Programme

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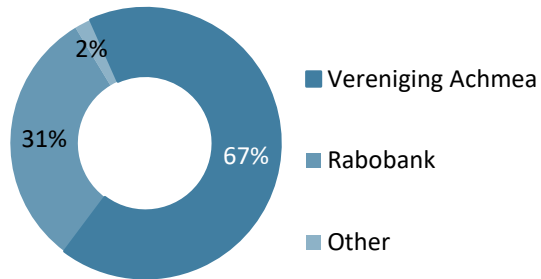
| # | Topic                              | Slide |
|---|------------------------------------|-------|
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# 1. Achmea

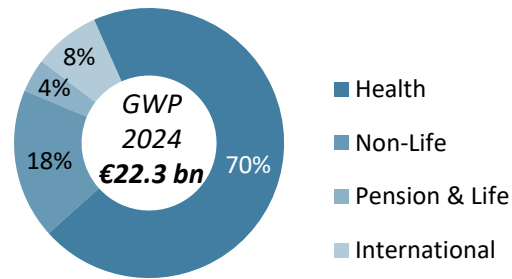
Dutch market leader with a mutual identity with strong brands, diversified distribution and strong market positions

## Mutual identity

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



## Diversified written premium base



## Main characteristics

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

## Strong and recognised brands



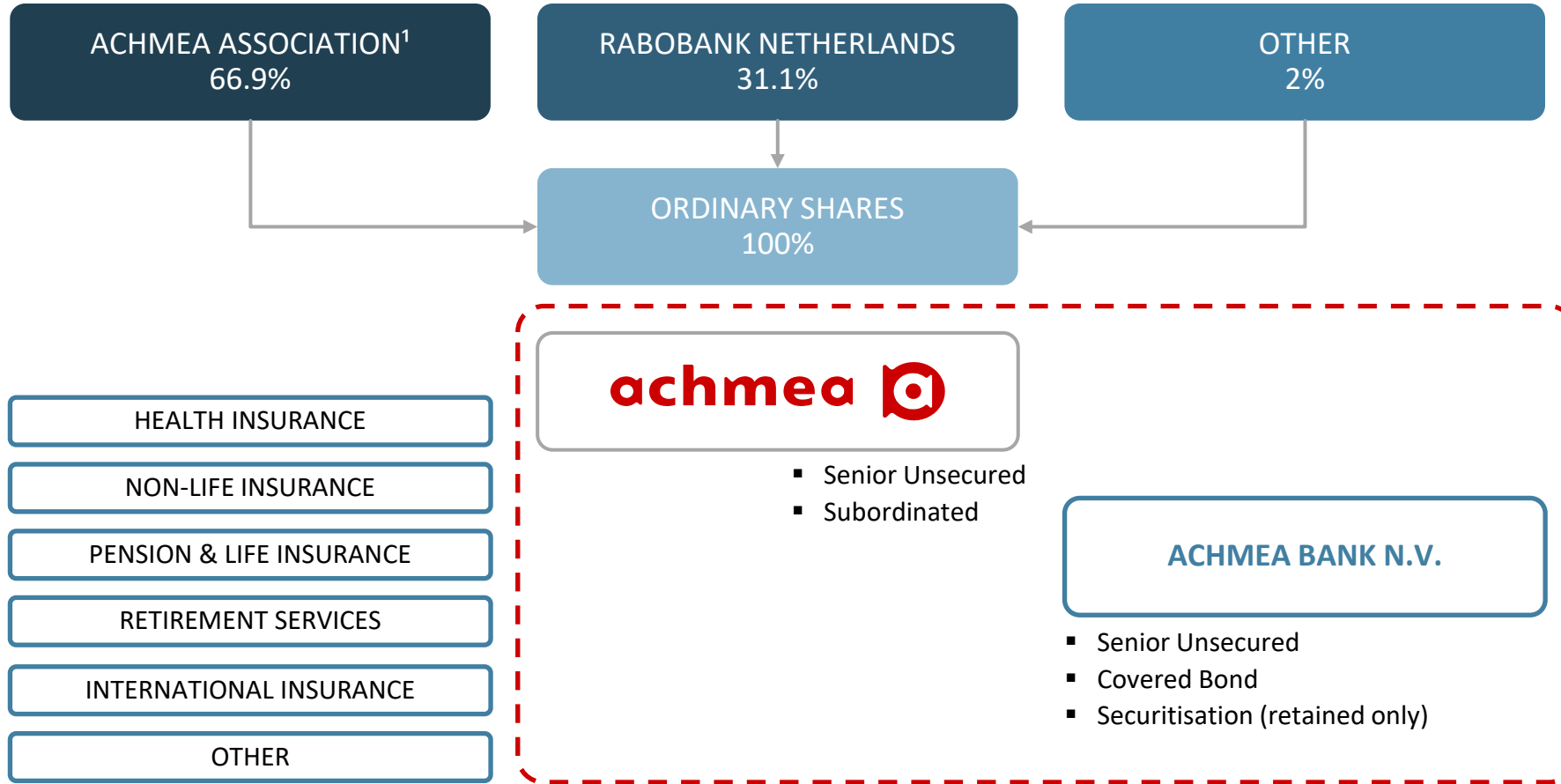
## Strong market positions

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

<sup>1</sup> Gartner digital insurer strategy assessment, January 2021

# 1. Achmea

Ownership Structure - Stability through two major cooperative shareholders



<sup>1</sup> Vereniging Achmea owns 9.17% directly and 57.77% indirectly through Stichting Administratie-Kantoor Achmea; the preferred shares were withdrawn as of December 31, 2023

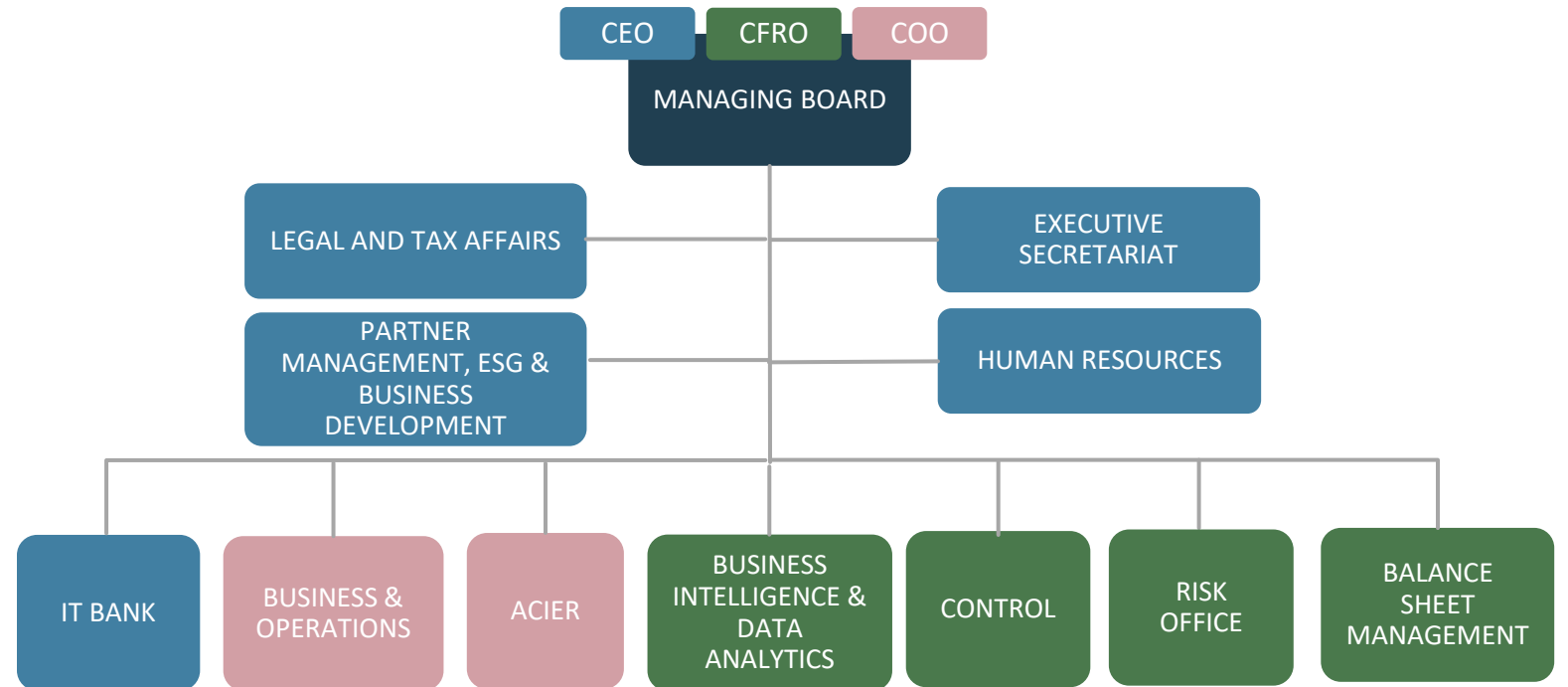
# 1. Achmea Bank

## Organisation functions in harmony with Achmea Group

Achmea Bank has a statutory board consisting of two persons: the CEO and CFRO. The COO (appointed as of January 1<sup>st</sup>, 2024) is not part of the statutory board. According to the Articles of Association, the Managing Board of Achmea Bank reports to the Supervisory Board of Achmea Bank N.V. See below for the hierarchical structure and organization.

Achmea Group (staff) departments assist Achmea Bank with:

- General IT
- Internal Audit
- Model Validation
- Corporate Finance
- Treasury
- Centraal Beheer (Marketing & Sales and customer support)
- Human Resource Management





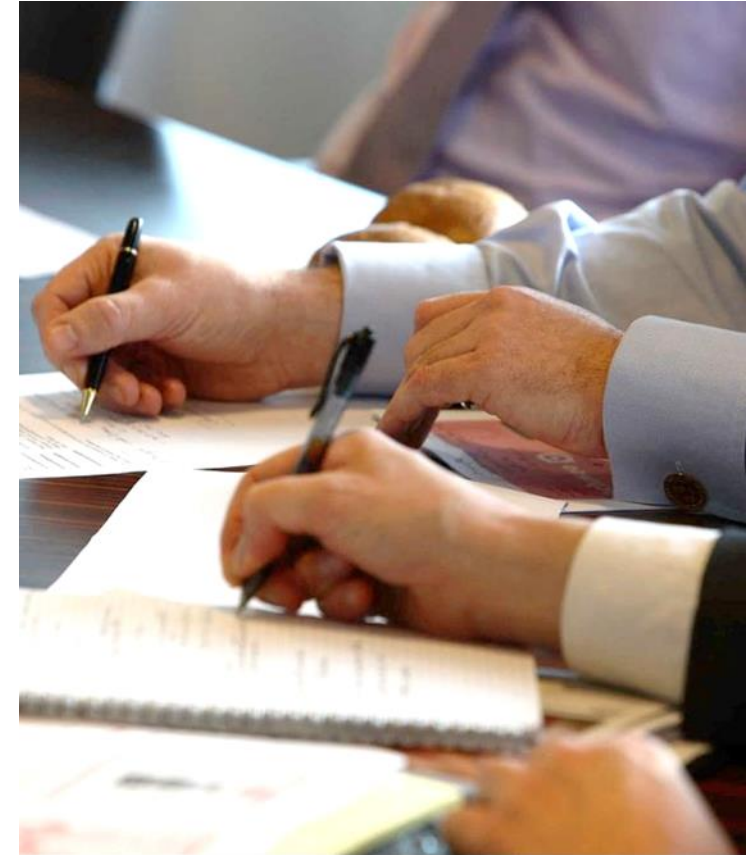
# 1. Achmea Bank

## Sound strategy in current market circumstances

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

### Strategic priorities Achmea Bank

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

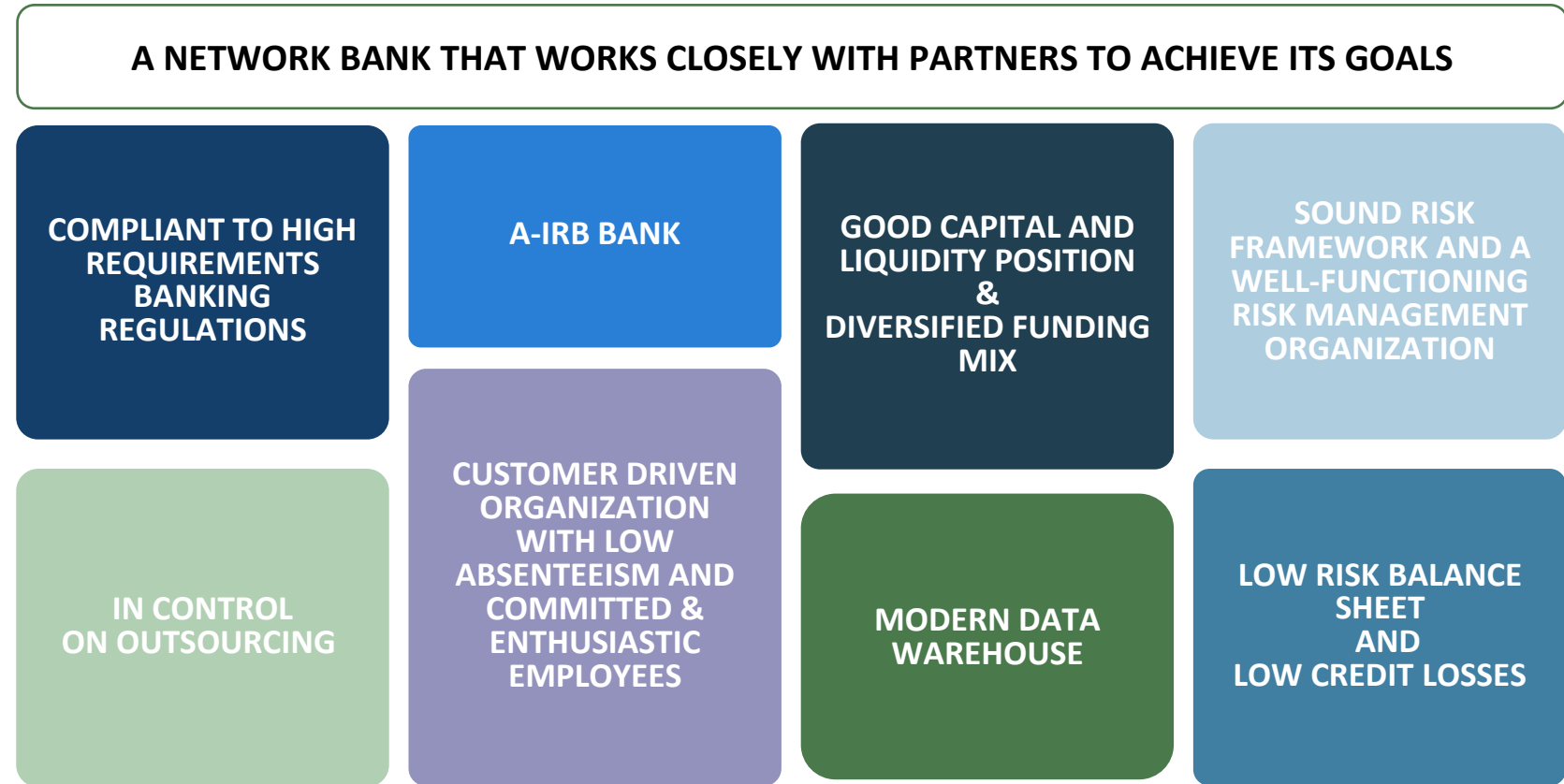




# 1. Achmea Bank

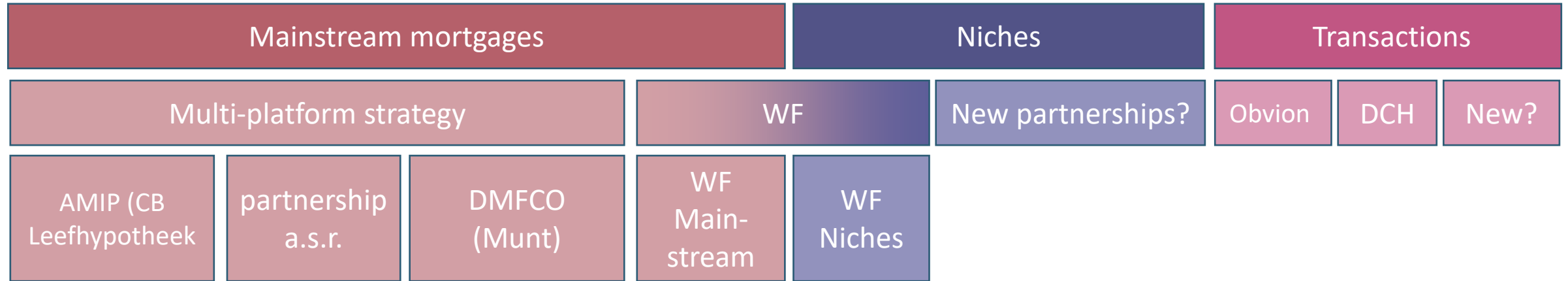
Ready to grow the balance sheet - Data driven and with our partners

- Achmea Bank is a data driven network Bank
- Our strategy is to grow our balance sheet
  - By ourselves or, if we can achieve our goals more effectively, with partners
  - With focus on data quality with a modern data warehouse
- Focus on BI, data and risk management to facilitate manageable growth whilst remaining in control
- The goal of A-IRB Bank fits seamlessly into our strategy because the required high standards for data, processes, systems and governance:
  - Are in line with our ambition being a data driven Bank
  - Helps us in assessing and improving our partners and ourselves



# 1. Achmea Bank

## Network Bank put into practice



### Mainstream mortgages

- The primary focus of our mainstream strategy is CB Leefhypotheek/AMIP (Achmea Mortgages Investment platform)
  - AMIP is the mortgage platform of Achmea (Syntrus Achmea Real Estate & Finance)
  - For internal (Achmea Bank, Achmea Pension and Life) and external investors
- Partnership a.s.r.
  - Multiple balance sheet transactions, with the intention to do more in 2024
  - New agreement for the next three years to acquire up to EUR 1 billion annually of newly originated mortgages (forward flow)
- A new partnership with DMFCO was closed in 2023 with the intention to invest in EUR 1.5 billion in Munt Hypotheken for the next three years

### Niches

- With niches we focus on smaller customer groups; among which self employed and buy to let, where higher margins are possible
- Via the Woonfonds brand
- Via partnerships if implementation can take place more effectively and faster

### Transactions

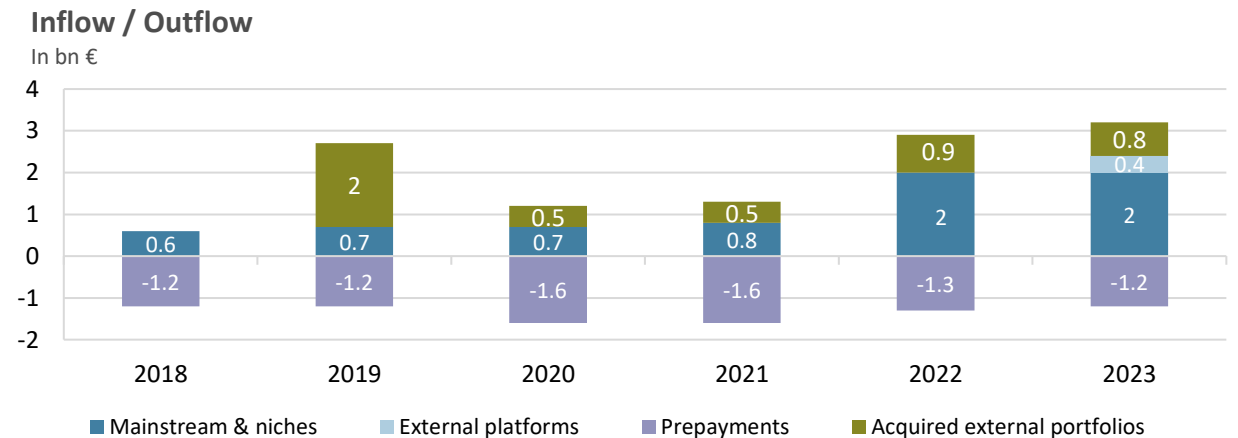
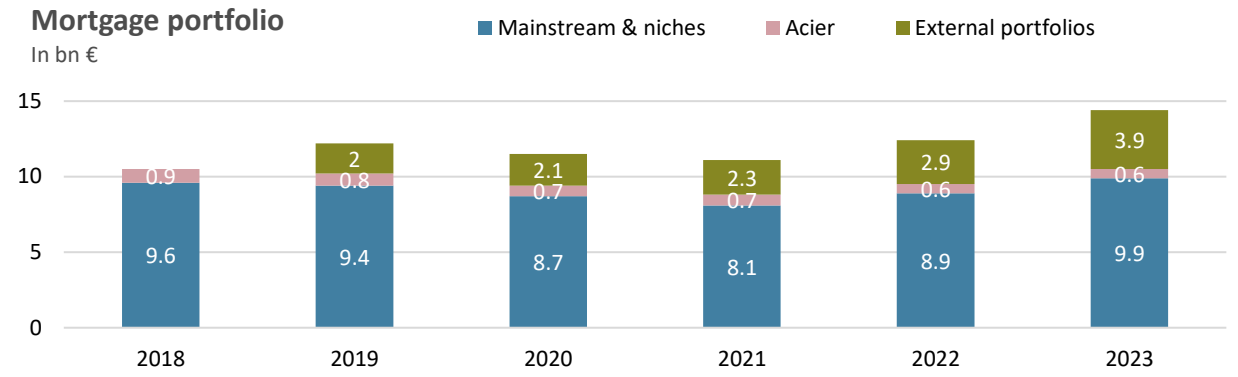
- Up to now mainstream mortgages
- New transactions are possible, if in line with our strategy and return on equity ambition

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

# 1. Achmea Bank

## Development of the mortgage portfolio

- 2015/2016; Acier EUR 1.1 billion
- 2019; a.s.r. EUR 1.5 billion and Obvion EUR 0.5 billion
- 2020; DCH EUR 0.5 billion
- 2021; a.s.r. EUR 0.5 billion
- 2022; a.s.r. EUR 0.9 billion over three deals
- 2023; a.s.r. EUR 0.8 billion over two deals
- As of June 2023 Achmea Bank has joined DMFCO's platform and aims to invest EUR 1.5 billion in mortgages provided through the label MUNT Hypotheken during the next three years
- In October 2023 Achmea Bank and a.s.r. announced to continue their cooperation in the mortgage field for three years. Each month during this period, Achmea Bank will acquire newly originated mortgages with a short-term fixed-interest period from a.s.r., up to an amount of EUR 1 billion annually
- The inflow of new mortgages for Achmea Bank (including the Achmea Mortgages Investment Platform and a.s.r. forward flow) is EUR 2.4 billion for 2023. Combined with the acquired a.s.r. portfolio of EUR 0.8 billion and prepayments of EUR 1.2 billion, the mortgage portfolio of Achmea Bank grew with EUR 2 billion to EUR 14.4 billion



# 1. Achmea Bank

## Sound risk management framework

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

### Three Lines Model:

Achmea Bank's risk management relies on:

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



# 1. Achmea Bank

## Moderate risk appetite

### Market risk / Interest rate risk

- (Net) market risk is related to interest rate risk in the banking book only; no trading activities
- Achmea Bank applies a limit of 15% of its available Tier 1 capital for the maximum negative impact on its market value of equity (SOT EVE). Interest rate risk is actively managed by ALCo from both regulatory and economic perspectives.

### Credit risk (retail portfolio)

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

### Sound balance sheet

- Maximum asset encumbrance ratio: 35% (FY 2023: 30.4%)

### Funding mix

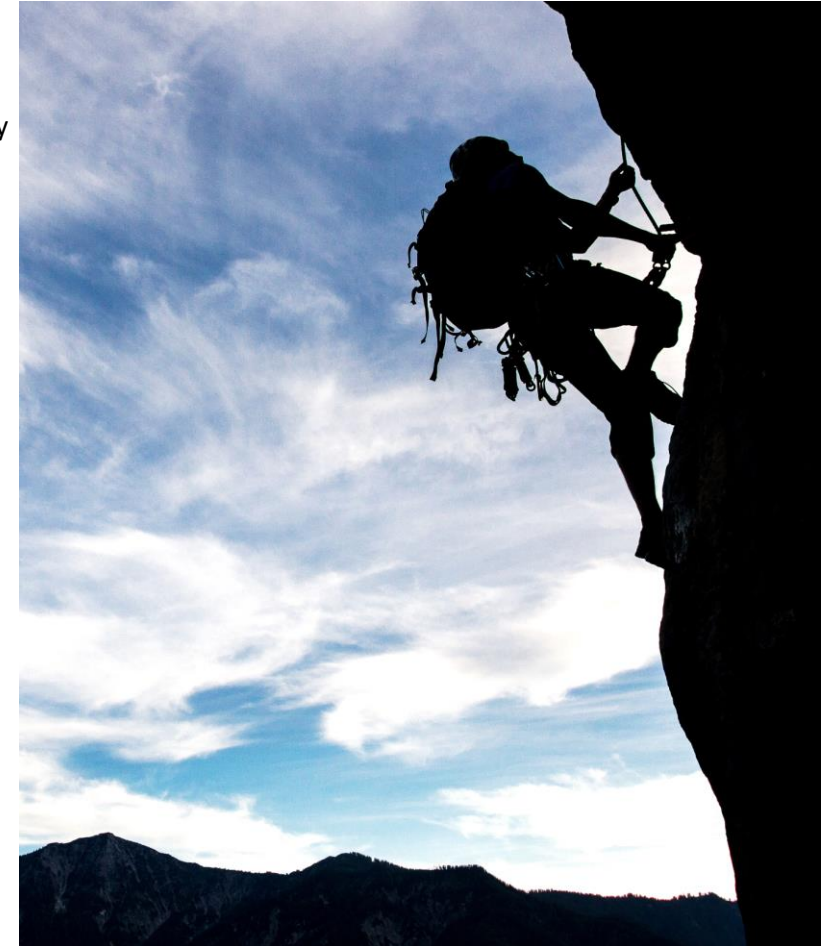
- Retail funding has a strategic nature
- Refinancing risk: Capital market funding refinancing volume of max. EUR 1.5 billion p.a.

### Liquidity risk

- Liquidity buffer (e.g. cash and highly liquid securities) for managing unexpected, material retail and wholesale cash outflows. Survival period, based upon the most severe internal liquidity stress test, of at least 6 months

### Solvency risk

- Capital buffer for managing unexpected losses on amongst others credit risk, operational risk and interest rate risk in the banking book: > 16.1%



# 1. Achmea Bank

## Achmea Bank's solvency and liquidity is strong

- In 2023 Common Equity Tier 1 capital decreased by EUR 2 million from EUR 776 million to EUR 774 million, mainly due to the release of a small amount of the legal reserve. As Achmea Bank does not hold any additional tier 1 instruments, Tier 1 capital equals its common Equity Tier 1 capital.
- The Common Equity Tier 1 Capital Ratio is strong at 16.9% (31 December 2022: 18.2%). The decrease is mainly due to the increase of the mortgage portfolio. In April 2023, Achmea Bank paid a dividend of EUR 15 million to its shareholder Achmea B.V., consisting of 2022 net distributable 2022 profit and EUR 2 million of released other reserves.
- In September 2023 DNB approved the request for the AIRB status. This status enables Achmea Bank to use advanced models in our reporting & credit cycle and contributes to a further professionalization of our credit risk management. Following the remedial action plan, as discussed with DNB in October 2023, Achmea Bank works on the remediation of identified areas for improvement. Successful remediation can result in a lower capital requirement by means of a conditional application of the Standardized Approach (SA) floor. Achmea Bank currently applies the SA or a RWA floor which is at least equal to SA to calculate the risk weighting of its assets (RWA).

| AVAILABLE CAPITAL      | FY 2023    | FY 2022    |
|------------------------|------------|------------|
| Share capital          | 18         | 18         |
| Share premium reserve  | 506        | 506        |
| Reserves               | 251        | 253        |
| Deductions             | -1         | -1         |
| <b>Total own funds</b> | <b>774</b> | <b>776</b> |
| Risk Weighted Assets   | 4,585      | 4,264      |

| BASEL III RATIOS (FULLY LOADED) |       |       |
|---------------------------------|-------|-------|
| Leverage Ratio                  | 4.8%  | 5.4%  |
| Common Equity Tier 1 Ratio      | 16.9% | 18.2% |
| Total Capital Ratio             | 16.9% | 18.2% |
| LCR                             | 164%  | 211%  |
| NSFR                            | 129%  | 130%  |



# 1. Achmea Bank

## Income statement

- The interest margin strengthened in 2023, due to both an increase of our mortgage portfolio and higher margins on newly originated and repriced mortgages. The higher interest rates resulted in a shift of the mortgage market to shorter fixed-interest periods ( $\leq 10$ y) of which Achmea Bank benefits. In addition to the growth of our mortgage portfolio, the interest margin improved due to lower funding costs.
- The negative fair value result of EUR 8 million (2022: EUR 7 million positive) is an accounting result related to the derivatives used for hedging the interest rate risk. This accounting result is compensated in other reporting periods, generally reflecting a pull to par as the underlying derivatives approach maturity.
- The increase in the operating expenses of EUR 10 million relates predominantly to higher fees of outsourced mortgage services and increased internal allocations related to outsourced services. The efficiency ratio improved significantly from 88% in 2022 to 56% in 2023. The number of defaults remained at a low level in line with the inherent low credit risk profile of our mortgage portfolio, which resulted in a limited addition to the loan loss provision.

### KEY FIGURES (IN EUR MILLION)

| Achmea Bank NV  | FY 2023    | FY 2022    |
|---|------------|------------|
| Interest income   | 524        | 217        |
| Interest expenses   | 320        | 99         |
| <b>Interest margin</b>  | <b>204</b> | <b>118</b> |
| Changes in fair value of financial instruments                            | -8         | 7          |
| <b>Interest margin and changes in fair value of financial instruments</b> | <b>196</b> | <b>125</b> |
| Other income  | 1          | 1          |
| Fees and commission income and expenses                                   | 1          | 1          |
| <b>Operating income</b>   | <b>198</b> | <b>127</b> |
| Impairment on financial instruments and other assets                      | 2          | 4          |
| Operating expenses  | 115        | 105        |
| <b>Operating profit before taxes</b>                                      | <b>81</b>  | <b>18</b>  |
| Income tax expenses   | 21         | 5          |
| <b>Net profit</b>   | <b>60</b>  | <b>13</b>  |

# 1. Achmea Bank

## Balance sheet

(IN EUR MILLION)

| Assets                                     | FY 2023       | FY 2022       |
|--|---------------|---------------|
| Cash and cash equivalents                  | 599           | 774           |
| Derivative assets held for risk management | 371           | 538           |
| Loans and advances to banks                | 637           | 641           |
| Loans and advances to public sector        | 1             | 1             |
| Loans and advances to customers            | 14,132        | 11,830        |
| Interest-bearing securities                | 31            | 0             |
| Current tax assets                         | 0             | 5             |
| Deferred tax assets                        | 9             | 4             |
| Prepayments and other receivables          | 155           | 140           |
| <b>Total</b>                               | <b>15,935</b> | <b>13,933</b> |

(IN EUR MILLION)

| Equity and Liabilities                          | FY 2023       | FY 2022       |
|---|---------------|---------------|
| Total Equity                                    | 835           | 790           |
| Derivative liabilities held for risk management | 437           | 411           |
| Deposits from banks                             | 361           | 1,138         |
| Funds entrusted                                 | 9,377         | 8,086         |
| Debt securities issued                          | 4,831         | 3,433         |
| Current tax assets                              | 13            | 0             |
| Accruals and other liabilities                  | 80            | 74            |
| Subordinated liabilities                        | 1             | 1             |
| <b>Total</b>                                    | <b>15,935</b> | <b>13,933</b> |

# 1. Achmea Bank

## Achmea Bank mortgage portfolio at FY 2023

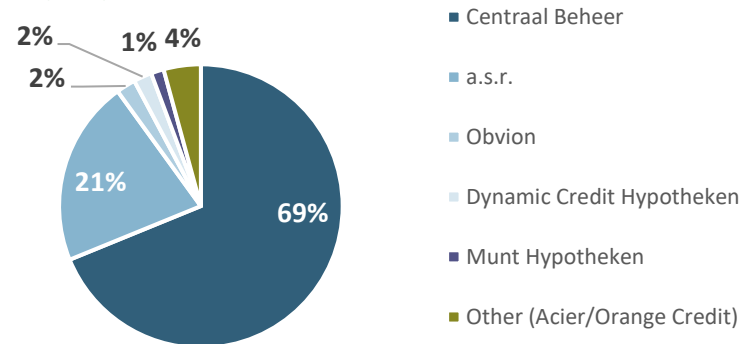
### Long-standing portfolio

- Achmea Bank has 50 years of experience in mortgages with Woonfonds and Centraal Beheer
- Multiple acquired portfolios from Acier, a.s.r., Obvion and Dynamic Credit Hypotheken
- Acier, Obvion and Dynamic Credit are closed books
- Centraal Beheer (via AMIP), Woonfonds (focus on niches), a.s.r. and Munt (via DMFCO) are open books
- EUR 14.4 billion nominal value regular mortgage portfolio at FY 2023 (FY 2022: EUR 12.4 billion)
- Strong payment performance

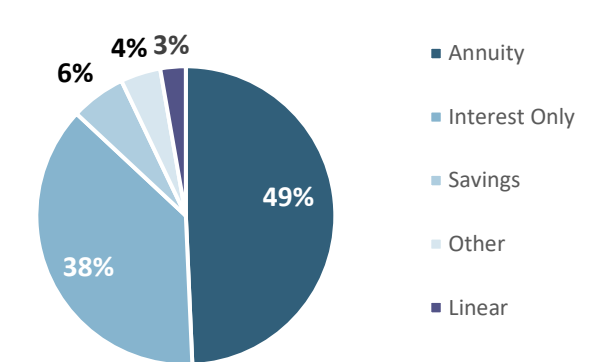
### Regulatory developments

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

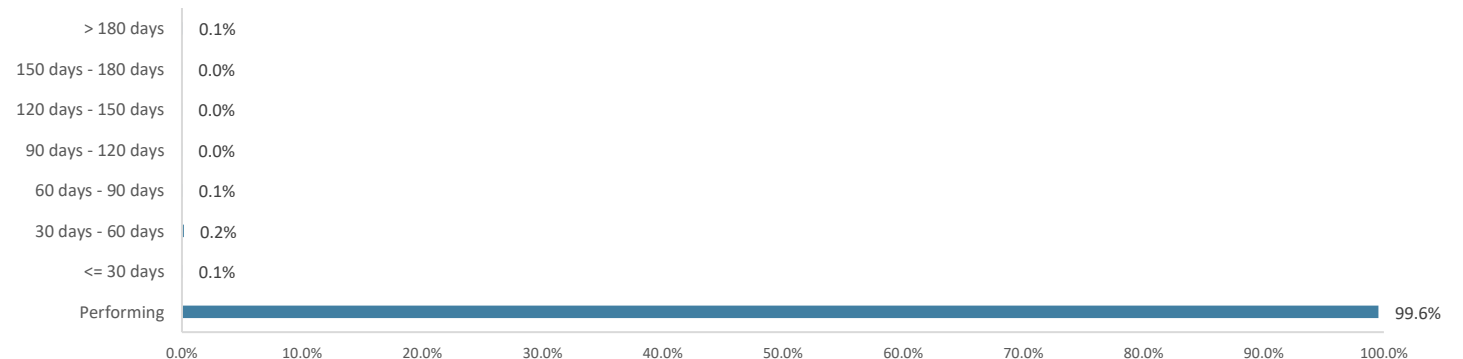
Mortgage size by label  
(in %)



Mortgage Type  
(in %)



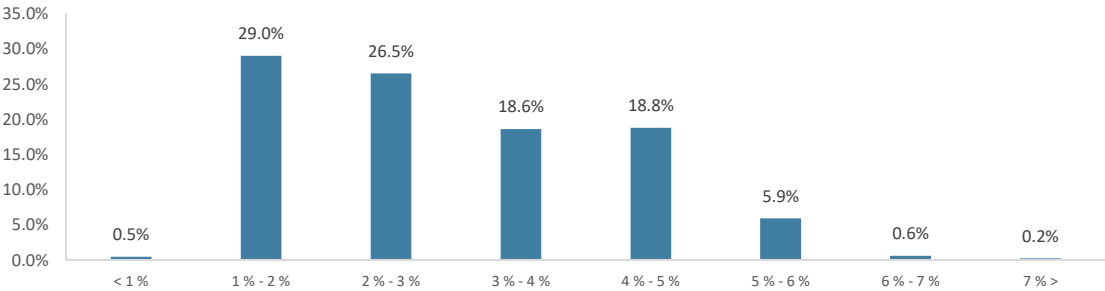
Performance  
(in %)



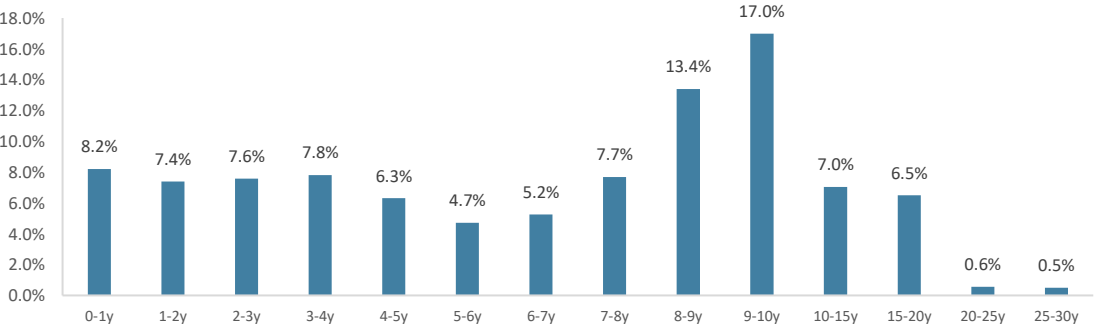
# 1. Achmea Bank

## Achmea Bank mortgage portfolio highlights

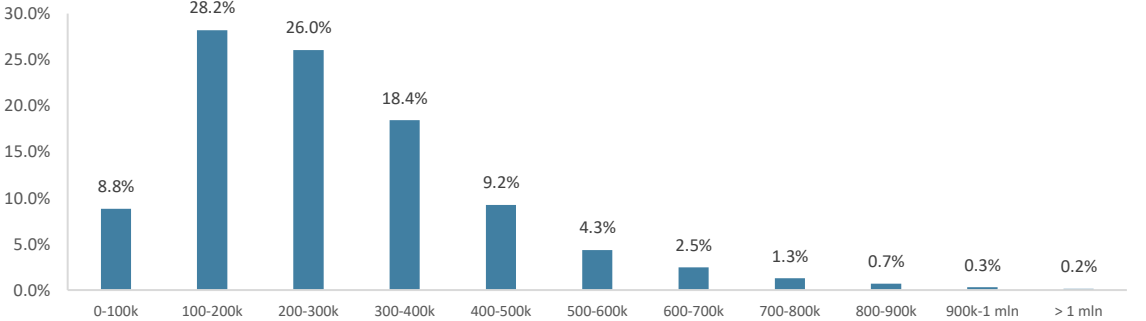
**Interest Rate Buckets**  
(in %)



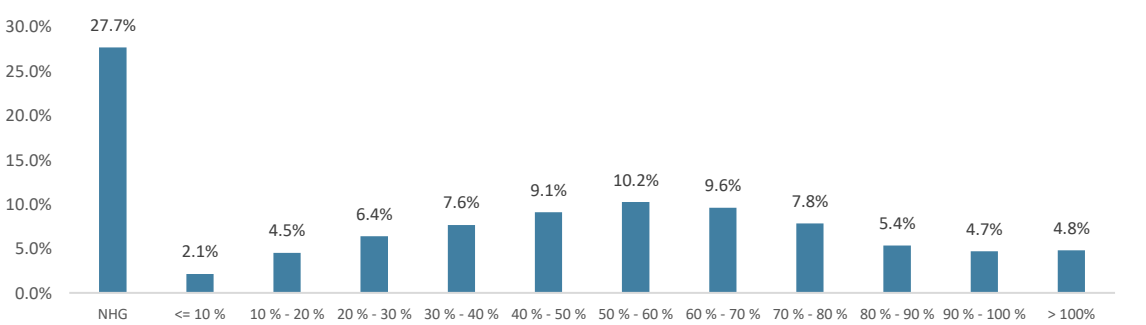
**Interest Reset Date**  
(in %)



**Current Loan Balance**  
(in %)



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



# 1. Achmea Bank

## Funding programmes / instruments

### Savings

- The total savings portfolio consists of available on demand accounts of EUR 6.0 billion (2022: EUR 4.4 billion), deposits with agreed maturity of EUR 1.1 billion (2022: EUR 0.6 billion), saving deposits linked to mortgages of EUR 0.6 billion (2022: EUR 0.7 billion) and pension savings of EUR 1.5 billion (2022: EUR 2.2 billion)

### Covered Bond Programmes

- In June 2023, Achmea Bank finalized the transfer of the three covered bonds under its Conditional Pass-Through Covered Bond (CPT CBP) programme to its Soft Bullet Covered Bond programme, which was established in 2021. The total outstanding amount of covered bond on 31 December 2023 was EUR 3.5 billion. In February 2024 Achmea Bank issued another EUR 500 million 10yr Covered Bond
- In November 2023 Achmea Bank set up an additional EUR 5 billion Retained Soft Bullet Covered Bond Programme (SBCB2). In April 2024 Achmea Bank has issued 2x EUR 500 million in Retained Covered Bonds, with a tenor of 5 and 7 years

### Senior unsecured

- The total outstanding amount under the Unsecured EMTN programme is EUR 0.7 billion, at FY 2023 (FY 2022: EUR 0.6 billion)

### Commercial Paper

- The total outstanding amount under the French commercial paper programme is EUR 0.8 billion at FY 2023 (FY 2022: EUR 0.6 billion)

### Deposits from banks





- The deposits from banks consists of cash collateral received on derivative exposures (EUR 25 million), cash collateral SPV (EUR 5 million), money market loans (EUR 30 million), ECB main refinancing operations (EUR 300 million)

### Securitisation

- Achmea Bank issues Residential Mortgage Backed Securities (RMBS) with the objectives to diversify its funding mix and to (further) enhance its liquidity buffer
- Achmea Bank has retained securitisation notes outstanding for an amount of EUR 1.1 billion FY 2023 (FY 2022: EUR 1.5 billion)

# 1. Achmea Bank

## Funding & Liquidity: key ambitions

|  | METRIC                                 | FY 2023      | AMBITION    |
|--|--|--------------|-------------|
|  <b>CAPITAL</b>         | ▪ CET 1 ratio                          | ▪ 16.9%      | ▪ >13.1%    |
|  | ▪ Total capital ratio                  | ▪ 16.9%      | ▪ >16.1%    |
|  | ▪ Leverage ratio                       | ▪ 4.8%       | ▪ >3.1%     |
|  <b>LIQUIDITY</b>       | ▪ Survival period                      | ▪ >12 months | ▪ >7 months |
|  | ▪ Liquidity coverage ratio             | ▪ 164%       | ▪ >100%     |
|  | ▪ LCR surplus                          | ▪ EUR 434m   | ▪ >EUR 70m  |
|  | ▪ Net stable funding ratio             | ▪ 129%       | ▪ >110%     |
|  <b>FUNDING PROFILE</b> | ▪ Share retail funding / total funding | ▪ 58%        | ▪ >35%      |
|  | ▪ Asset encumbrance ratio              | ▪ 30.4%      | ▪ <35%      |
|  <b>PROFITABILITY</b> | ▪ Return on equity (RoE) <sup>1</sup>  | ▪ 7.4%       | ▪ 7-9%      |
|  | ▪ Cost/Income ratio (CIR)              | ▪ 56%        | ▪ 55-65%    |
|  | ▪ Interest margin                      | ▪ 1.54%      | ▪ >1%       |

<sup>1</sup> Annualized RoE; based on the monthly results of last 12 months



# 1. Achmea Bank

## Funding mix and maturity profile

### Maturity profile

- Smoothened future wholesale refinancing peaks
- A well-balanced funding mix of 58% (FY 2023)

### Funding & liquidity strategy

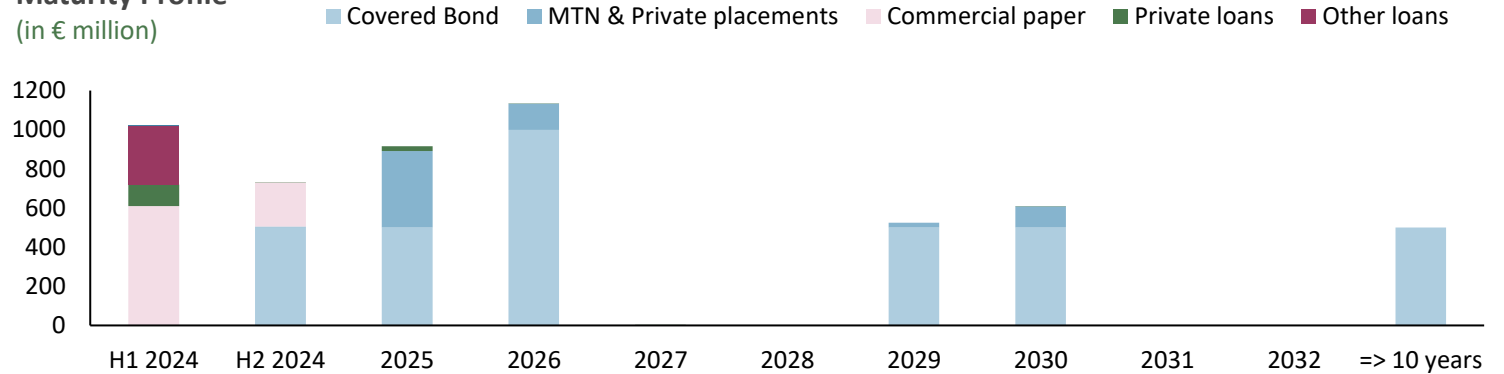
- Diversification: shift in funding mix from unsecured wholesale funding to savings and secured wholesale funding
- Avoiding refinancing peaks – currently capped at EUR 1.5 billion capital market funding p.a.
- Liquidity: survival period of at least six months
- Asset encumbrance (ratio) actively managed

### Recent Funding activities:

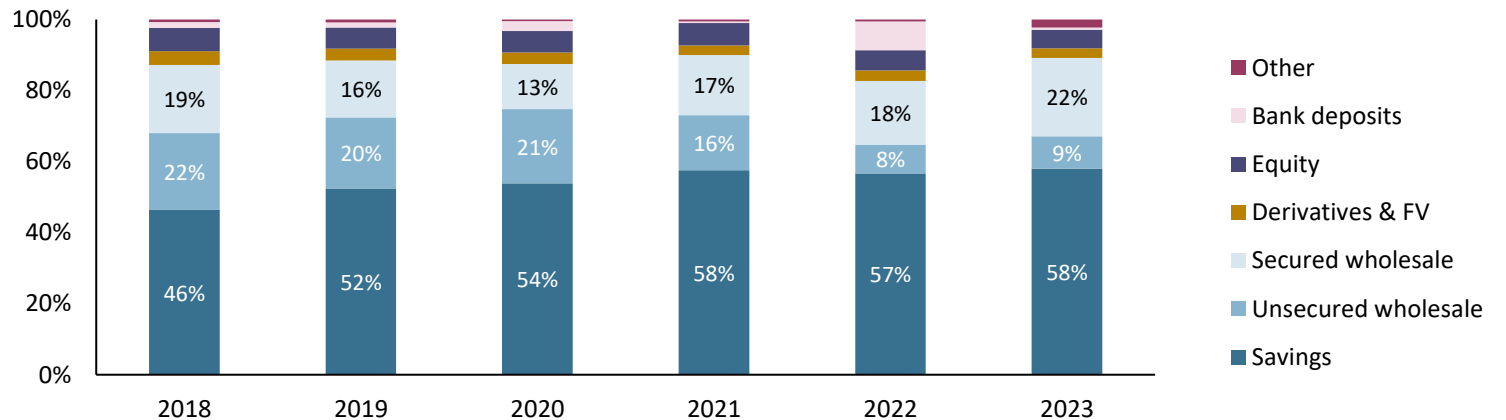
- 2022: 1x EUR 500 million 7yr Covered
- 2023: 1x EUR 500 million 7yr Covered, 1x EUR 500 million 3yr Covered and 2x EUR 100 million CHF Senior Preferred dual tranche of 3y and 7yr
- 2024: Due to growth strategy a min. EUR 1.5 billion capital funding is expected. In February; 1x EUR 500 mln 10yr Covered was issued

### Maturity Profile

(in € million)



### Funding Mix



## 2. Dutch Markets

### The changing market dynamics are challenging

The changing market dynamics present an increasingly challenging arena to operate in for mortgage lenders

- High inflation
- Strong increasing mortgage rates after long period of decreasing and low interest rates
- changes in the regulatory environment
- green mortgage funding
- the emergence of alternative lending platforms,
- the creation of alternative mortgage loan-structures
- consumer protection by AFM

As a financial conglomerate with a sizeable balance sheet and as an early-mover with a long track-record in sourcing third party funding, Achmea is in a strong position relative to many of its peers. However, recent performance demonstrates that Achmea has not been able to fully realise this potential

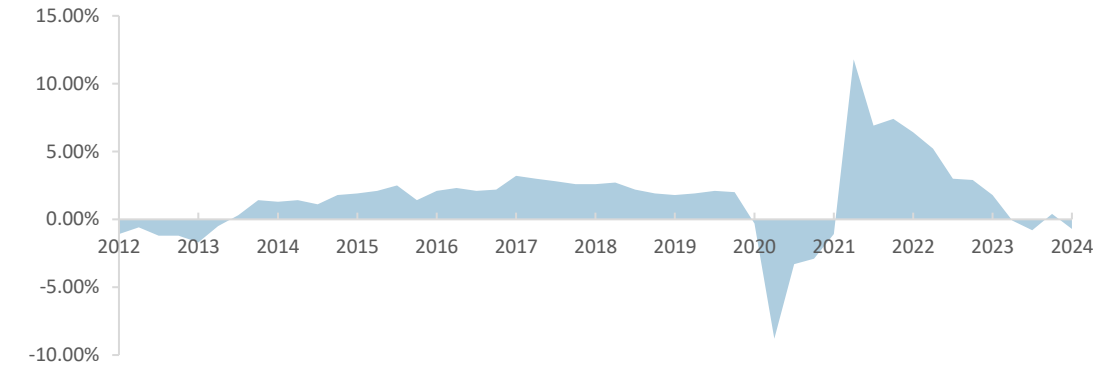


## 2. Dutch Markets

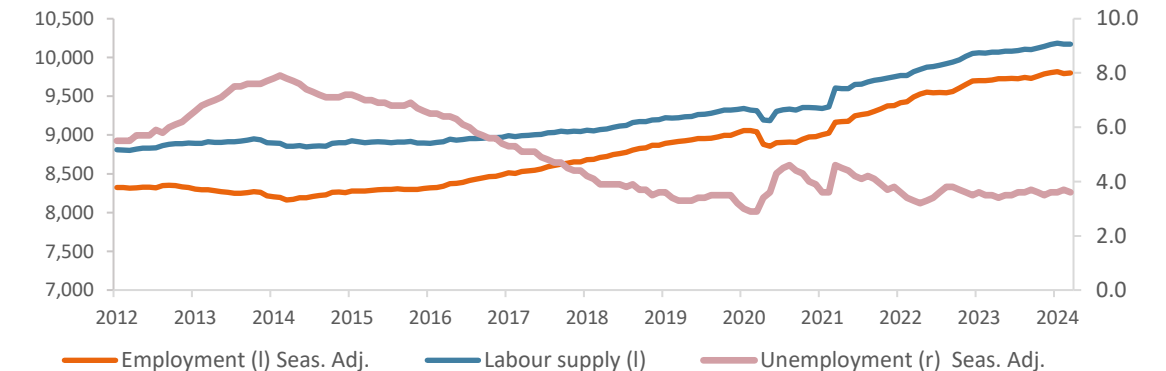
### Dutch economy expected to grow moderately in 2024 and 2025

- An unusually low unemployment rate, unprecedented interest rate hikes and a relentless spike in inflation: It was no surprise that the overheated Dutch economy cooled down in 2023, with three quarters of economic contraction
- After three quarters of contraction, the Dutch economy once again showed growth in the last quarter of 2023. This growth is expected to continue with 0.7 percent for 2024, and 1.2% for 2025
- Purchasing power is rebounding after a period of persistent inflation, so households are expected to spend more despite a slight rise in unemployment. Moreover, government consumption and investment are expected to increase this and next year, which will also contribute to economic activity in the Netherlands
- On the other hand, business investments are expected to decline in the coming quarters due to higher interest rates. And housing investments are expected to decline sharply as fewer houses are being built. Also, international trade is expected to negatively impact economic growth due to the worsened economic outlook for key trading partners

Gross Domestic Product (GDP)



Unemployment



Sources:

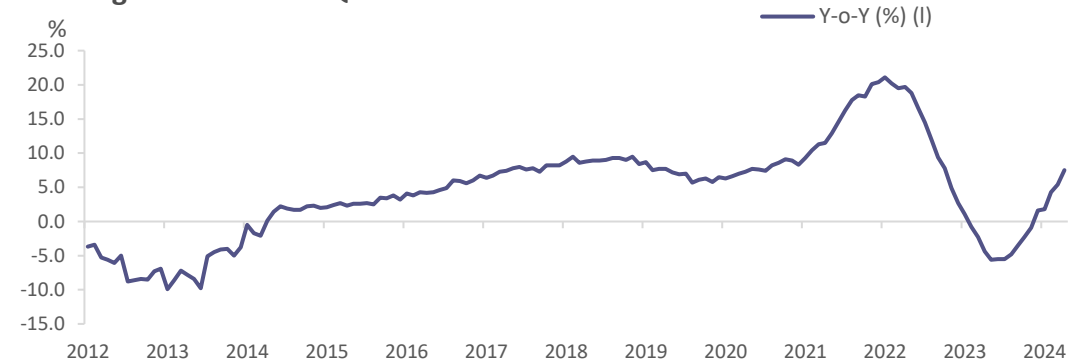
- Statistics Netherlands (CBS)
- RaboResearch: "Dutch Economy growth this year and next year mainly due to household and government spending" (March 13, 2024)

## 2. Dutch Markets

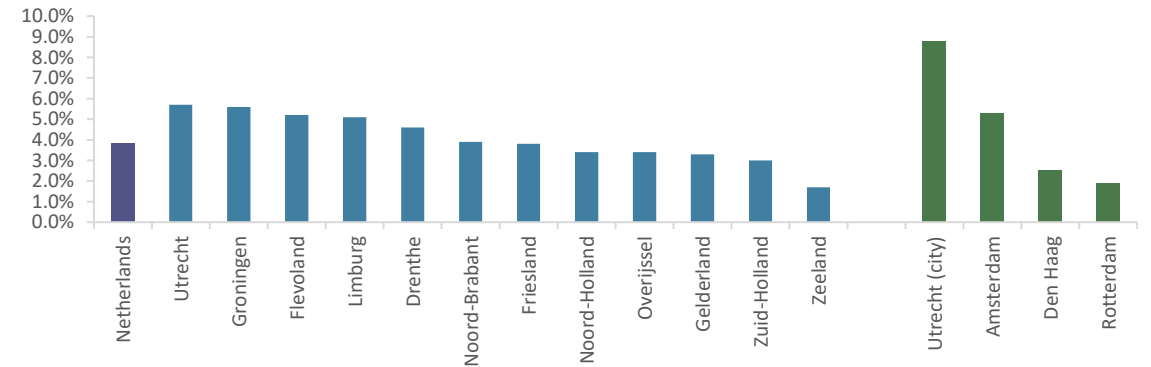
### House prices heading back to summer 2022 levels

- House prices have continued to rise in recent months. In January prices of homes for sale were only 1.85% away from a new record, almost fully making up the price decline between the summer of 2022 and the spring of 2023
- This ongoing increase in prices is mainly due to increased borrowing capacity of households. Rising wages and slightly lower mortgage rates allow homebuyers to borrow more. As borrowing capacity is expected to rise further coming years and supply remains limited, prices are expected to be on average 6.2% higher in 2024 than in 2023. For 2025, an increase of 6.3% is expected. This would mean that the peak in home prices from 2022 may be matched before summer
- In Q1 2024, Utrecht showed the highest regional increase of 5.7% year on year, while Zeeland showed the lowest growth with 1.7%. Utrecht (city) showed the highest growth price with 8.8%

Housing Prices Index – Q1 2024



Q1 2024 – Q1 2023 house price increase per region



Sources:

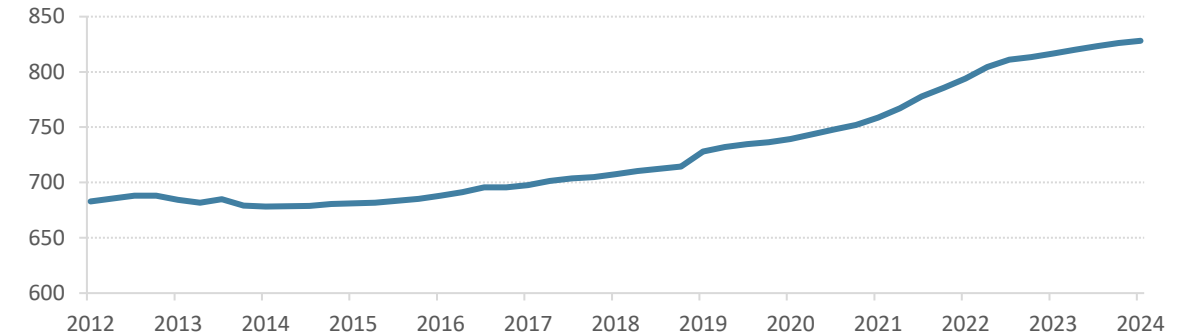
- RaboResearch: "Housing Market Quarterly: High price increases on the horizon" (March 14, 2024)
- Statistics Netherlands (CBS)

## 2. Dutch Markets

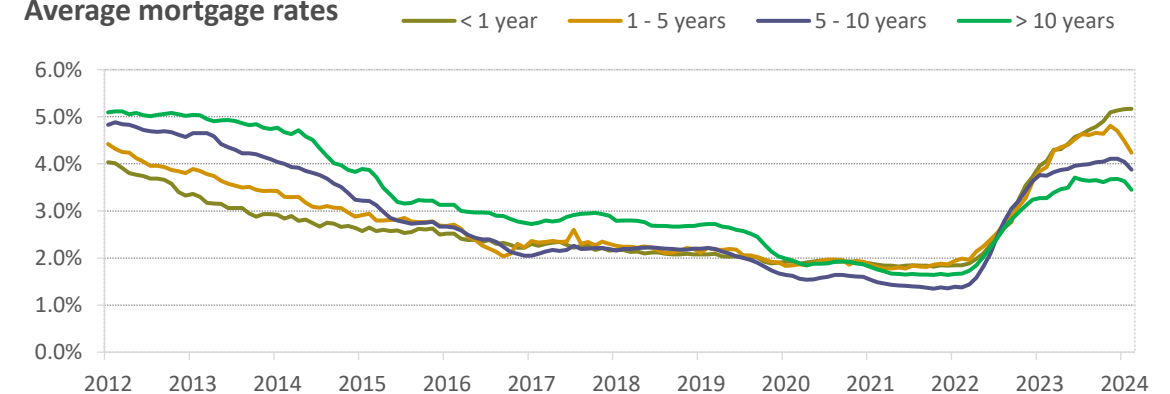
### Dutch housing market quickly recovers from decline

- Approximately 182,000 existing homes were sold last year, which is significantly less than in the previous five years where the average number of transactions was 218,000. On average, the number of transactions declined with 5.5%
- Despite increased borrowing capacity and strong demand due to higher wages and slightly lower mortgage rates, relatively few transactions are expected as supply remains limited. The number of homes for sale is steadily declining. For this year approximately 185,000 transactions are expected, followed by 183,000 in 2025
- The limited supply is partly due to an anticipated dip in housing construction, following a decline in the number of building permits granted over the past two years

Residential Mortgages outstanding (in € billion)



Average mortgage rates



Sources:

- RaboResearch: "Housing Market Quarterly: High price increases on the horizon" (March 14, 2024)
- Statistics Netherlands (CBS)
- Dutch Central Bank

# 3. Origination & Marketing

## Division of Roles between SAREF & Quion

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



**Centraal  
Beheer**

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



**Woonfonds**

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



**acier**  
Financieringen

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

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



# 4. Underwriting criteria

## Key aspects Dutch Code of Conduct



### GOVERNANCE

- Dictates the strict framework of mortgage underwriting following codes of conducts and governmental guidelines that are annually updated
- Guidelines are prepared in close consultations with government, mortgage lenders, consumer organisations and intermediaries
- Endorsed by all major mortgage lenders and intermediaries



### LOAN

- As of 2018 the maximum loan size cannot exceed 100% of the value of the property
- In case of a sustainable renovation the loan size may exceed up to 106% of the value of the property after renovation
- As of 2013 new mortgages may consist of interest only up to a maximum of 50% of the value of the property



### BORROWER

- Annual gross salary of borrower and any secondary (f.e. partner)
- Loan size is restricted to governmental guidelines, which is roughly 5 times the gross salary (Annual NIBUD Norms to assess affordability).
- Loan size is dependent on interest rate and fixed duration of the interest rate (for fixed duration > 10 years the actual interest rate is used for variable and < 10 years use of governmental 'Toetsrente')
- Additional securities offered by the borrower
- Credit history checks (BKR)
- Fraud checks (EVA)



### PROPERTY

- The valuation of the property is validated by an external valuation report or by a hybrid valuation report (Calcasa/NWWI)
- Both valuations cannot be older than 6 months
- The valuation has been done or, in case of hybrid, approved by a professional certified external valuator.



### INFORMATION

- The lender provides all information required for the borrower to have a profound understanding of how the mortgage will work, what they may expect to change in the future and what choices they have. Goal is an affordable mortgage for the borrower

# 4. Underwriting criteria

## Underwriting criteria



### MORTGAGE

- 2 types of mortgages: NHG and non-NHG
- Maximum mortgage in ratio to value of property is 100% since 2018
- Maximum mortgage in ratio to value of property after sustainable renovation is 106%
- Maximum loan size is EUR 1,000.000
- Loan to income is determined based on governmental guidelines that are annually updated



### BORROWER INFORMATION

- Type of income (self employed, fixed or variable):
  - Annual gross salary of borrower and any secondary
  - Loan size is restricted to governmental guidelines, which is roughly 5 times the gross salary
  - Loan size is dependent on interest rate and fixed duration of the interest rate
- Additional securities offered by the borrower
- Credit history checks (BKR)
- Fraud checks
- Income determination employment contract



### PROPERTY

- Type of property: private properties or private property with a small part business
- Appraisal report criteria:
  - The valuation of the property is validated by an external valuation or by hybrid valuation report
  - The external valuation cannot be older than 6 months, calculated from the value reference date
- The valuation has been done, or in case of hybrid, approved by a professional certified external valuator.
- The appraisal report is prepared according to the latest model of the Nederlands Register Vastgoed Taxateurs
- Report should contain the market value
- The certified valuator may not be involved directly or indirectly in the transaction



### INFORMATION

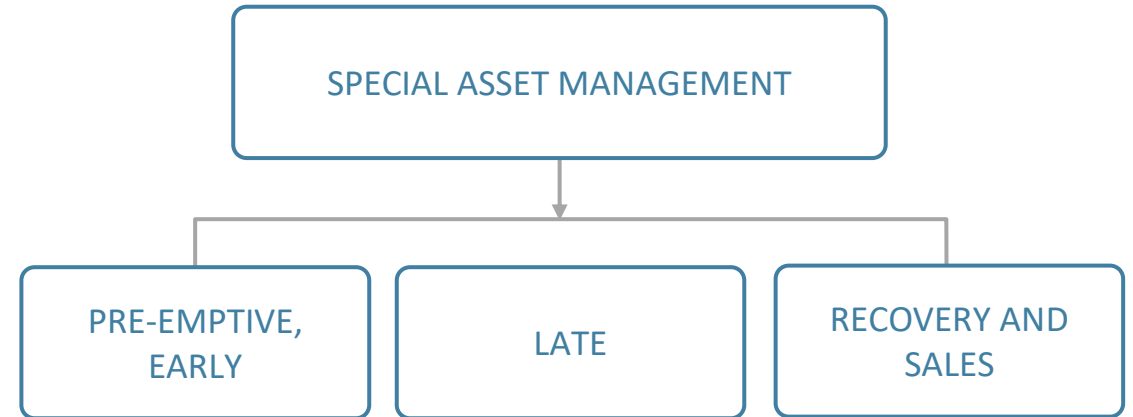
- Underwriting criteria are automatically checked by the system
- Review and deviations of the applications are checked by the underwriters

# 5. Servicing – Arrears and Defaults

Dedicated special asset management team outsourced to SAREF

Pre-emptive management to prevent clients from getting into arrears:

- Checks on early warning signals such as divorce or loss of job
- The AIRB model aids in portfolio analysis by identifying potentially higher credit risks
- Early risk management focuses on quick recovery and gaining customer insights
- Late risk management focuses on sustainable recovery
- Recovery & sales in minimizing losses voor Bank and customer
- There are clear processes in place for every situation (standardized ‘treatment paths’) with room for personalized solutions such as interest averaging, modifying the mortgage or discharge



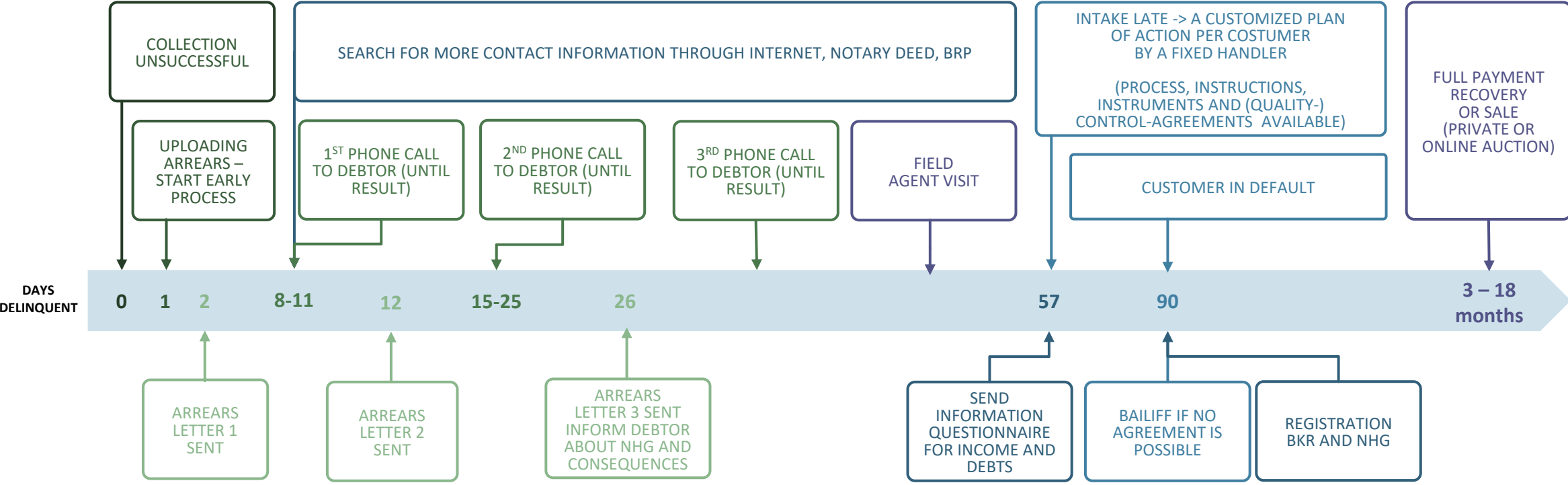
# 5. Servicing – Arrears and Defaults

## Overview

|               | PREVENTIVE   | EARLY  | LATE  | SALES  | RESIDUAL DEBT (EXTERNAL)  |
|---------------|--|--|---|--|---|
| <b>Target</b> | <ul style="list-style-type: none"> <li>Prevent overdue payments by working together with the customer</li> </ul>   | <ul style="list-style-type: none"> <li>Direct contact in case of overdue payments.</li> <li>Focus on quick payment and insight in the situation of the customer</li> <li>Customers assessed as riskier by the AIRB model are approached first</li> </ul> | <ul style="list-style-type: none"> <li>Sustainable payment recovery. The customers situation and risks are visible.</li> <li>Apply specific solutions together with the customer</li> </ul>   | <ul style="list-style-type: none"> <li>Limitation of loss for customers and Achmea Bank.</li> <li>Maximal sales profit</li> </ul>                                  | <ul style="list-style-type: none"> <li>Collection of residual debt</li> <li>Collaboration with bailiff</li> </ul> |
| <b>Start</b>  | <p>A possible payment problem is detected by the means of:</p> <ul style="list-style-type: none"> <li>Customer signal; or</li> <li>A higher probability of default is signaled by the AIRB model;</li> </ul> | <ul style="list-style-type: none"> <li>Overdue payment</li> </ul>  | <ul style="list-style-type: none"> <li>Transfer from Early</li> <li>Transfer from Pre-emptive in case of fraud, WSNP, bankruptcy</li> </ul>   | <ul style="list-style-type: none"> <li>Late confirmed that recovery isn't possible</li> </ul>  | <ul style="list-style-type: none"> <li>The house is sold</li> </ul>   |
| <b>Method</b> | <ul style="list-style-type: none"> <li>Proactive; portfolio analyses, flyers, website</li> <li>Custom (rate averaging)</li> <li>Intensive customer contact</li> <li>Use of tools</li> </ul>                  | <ul style="list-style-type: none"> <li>Early calls actions</li> <li>Quick customer scan</li> <li>Use of tools (rate averaging)</li> <li>Monitoring (payment) agreements</li> </ul>   | <ul style="list-style-type: none"> <li>Customer situation and risks are visible</li> <li>Treatment paths per situation</li> <li>Uniform working method</li> <li>Customized measures (payment agreement, job coach, budget coach, restructuring mortgage)</li> </ul> | <ul style="list-style-type: none"> <li>Focus on private sale</li> <li>Notarized power of attorney sales</li> <li>Accompany Private Sales / Foreclosures</li> </ul> | <ul style="list-style-type: none"> <li>Transfer debt to bailiff</li> <li>Monitoring/closed</li> </ul>             |
| <b>End</b>    | <ul style="list-style-type: none"> <li>Customer problems solved</li> <li>Overdue payment</li> <li>No more increased credit risk</li> </ul>   | <ul style="list-style-type: none"> <li>No outstanding overdue payment; or</li> <li>Customer is transferred to Late Collections</li> </ul>  | <ul style="list-style-type: none"> <li>No outstanding overdue payment; or</li> <li>House will be sold</li> </ul>  | <ul style="list-style-type: none"> <li>House is sold</li> </ul>  | <ul style="list-style-type: none"> <li>The residual debt is paid</li> </ul>                                       |

# 5. Servicing – Arrears and Defaults

Process early and late arrears management\*



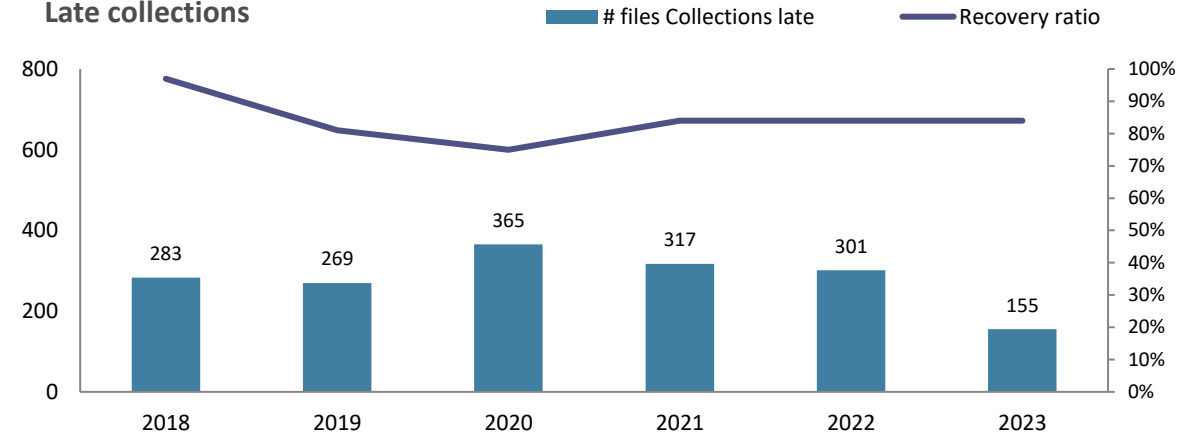
\*This process remains unchanged after combining the activities with Syntus Achmea (SAREF)

# 5. Servicing – Arrears and Defaults

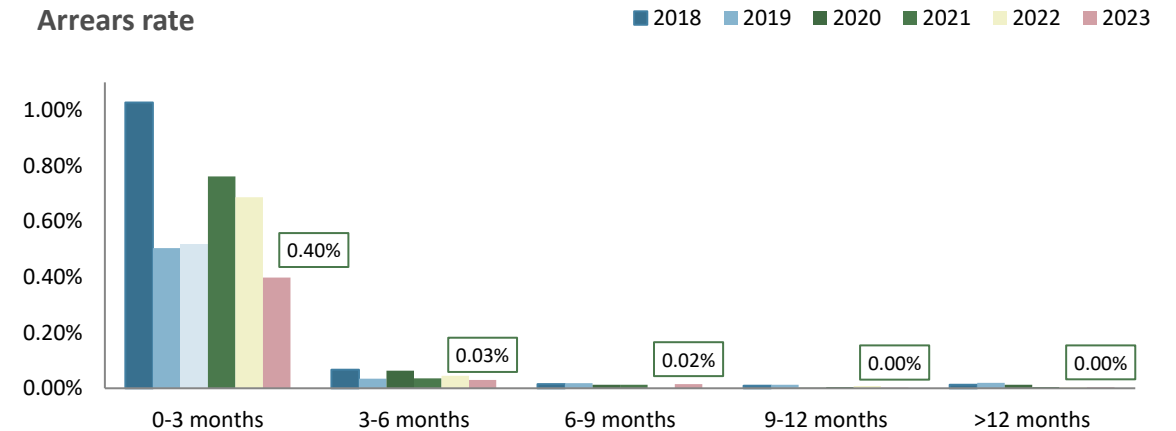
## Special servicing

- Direct contact as soon as payments are overdue Together with the customer, we look for a suitable solution
- Making a physical house in case of no response of the customer
- Inventory of the customer's situation and mapping the credit risk
- Deploy customized instruments in consultation with the customer (job coach /budget coach and interest rate or product adjustment)
- Flow from early collections to late collections remains low and well below the standard of 30 cases per month
- Arrears rates remain low because of close monitoring and swift action on early overdue
- Total number of mortgages that are managed under special servicing (Pre-Emptive, Late and Sales) decreased from 301 in December 2022 to 155 in December 2023.
- Over 2023 the recovery ratio of all late collections was 84% (2022: 84%)

Late collections



Arrears rate



Special Servicing only manages the Centraal Beheer and Woonfonds portfolio. The other (external) portfolios are not included in these slides as they are not eligible for the SB CB programme



# 5. Servicing – Sales

## Private sales & auctions

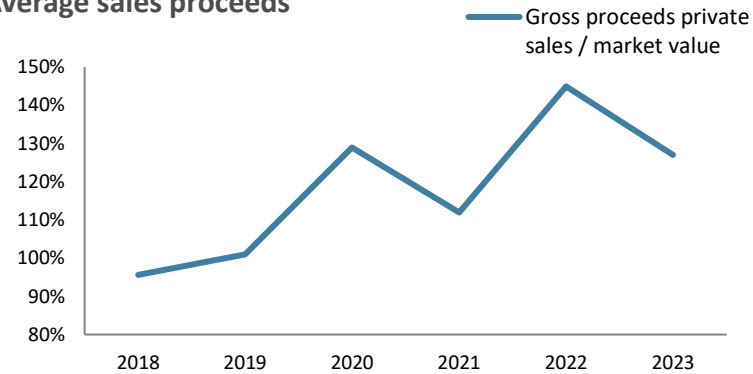
- During 2023: 38 sales (2022: 48 sales)
- Average sale proceeds during 2023: 127% of the updated market value (2022: 145%)
- Average time for a private sale in 2023: 3.0 months (2022: 2.0 months). This increase is caused due to the increase in mortgage rates.
- In 2023: 33 private sales and 5 public auctions (2022: 47 private sales and 1 auctions)
- During 2023 the average proceeds amounted to 146% of the foreclosure value at time of origination (2022: 167%)

### NHG Pay out ratio

- NHG pay-out ratio for the period 2018-2020 is 94% (benchmark 91%)
- As of January 2021 (>3 years) there have been no claims with NHG

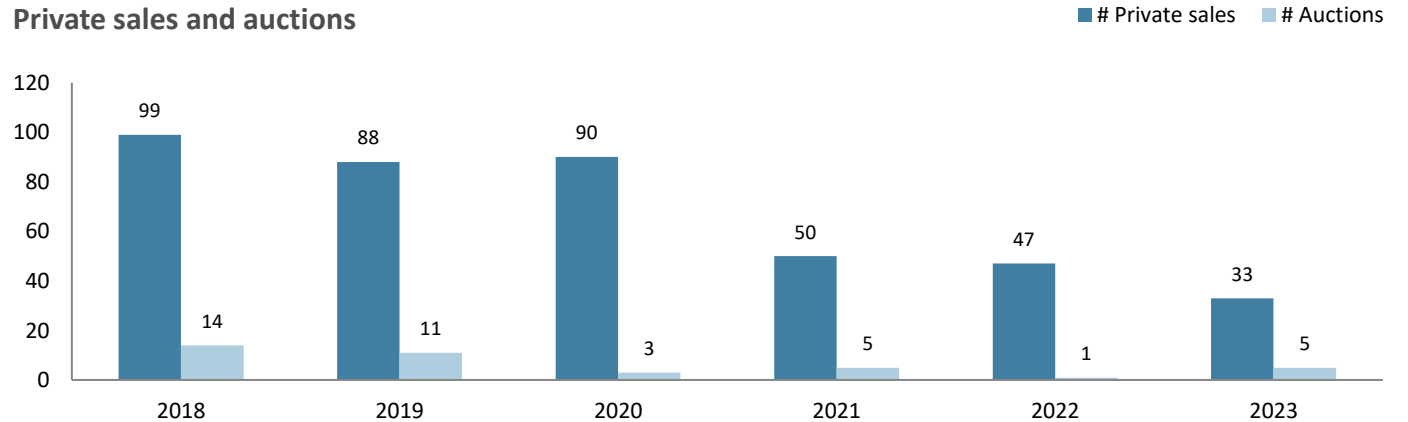
*Special Servicing only manages the Centraal Beheer and Woonfonds portfolio. The other (external) portfolios are not included in these slides as they are not eligible for the SB CB programme*

Average sales proceeds



| PERIOD FOR SALE | FY 2022         | FY 2023         |
|-----------------|-----------------|-----------------|
|                 | NUMBER OF SALES | NUMBER OF SALES |
| 0 - 3 months    | 41              | 27              |
| 3 - 6 months    | 4               | 7               |
| 6 - 9 months    | 2               | 2               |
| 9 - 12 months   | 0               | 0               |
| 12+ months      | 1               | 2               |
| <b>Total</b>    | <b>48</b>       | <b>38</b>       |

Private sales and auctions



# 5. Servicing – Losses

## Provisions and losses

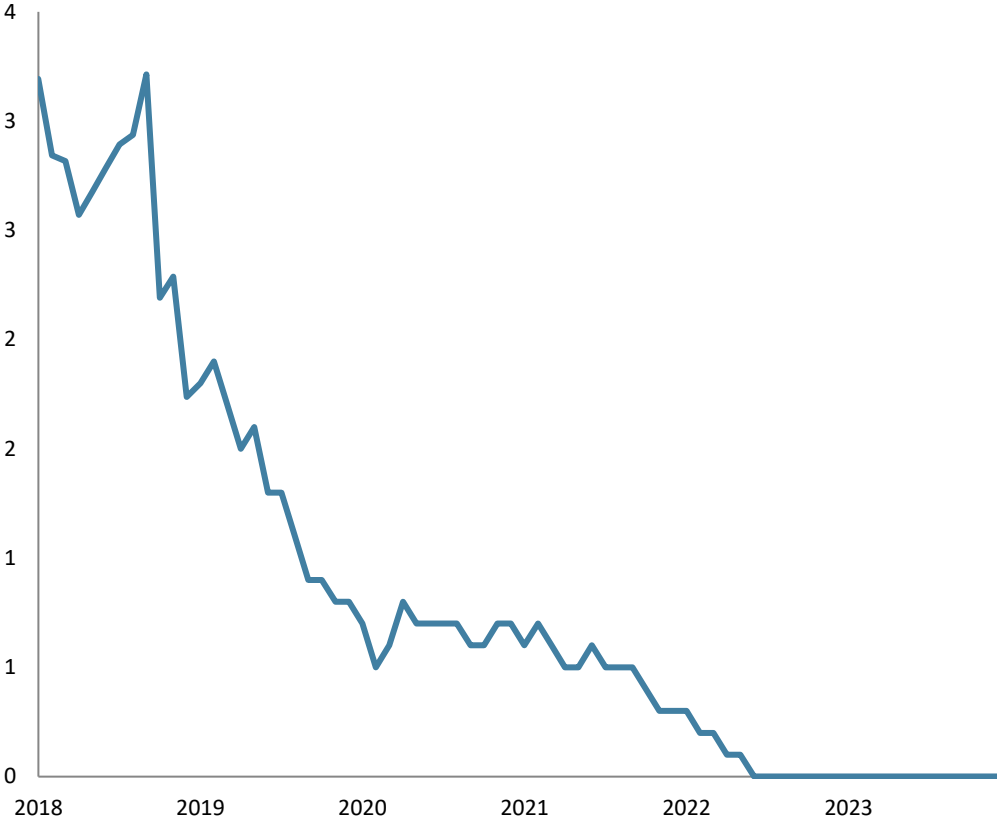
### Adequate loan loss provisions

- The number of defaults remained at a low level, which reflects the inherent low credit risk profile of the mortgage portfolio of Achmea Bank, which results in a limited addition to the loan loss provision

### Low write offs

- There haven't been any write offs on our regular mortgage portfolio (excl. Acier) in 2022 and 2023, which is 0.0 bps of the mortgage portfolio (excl. Acier)

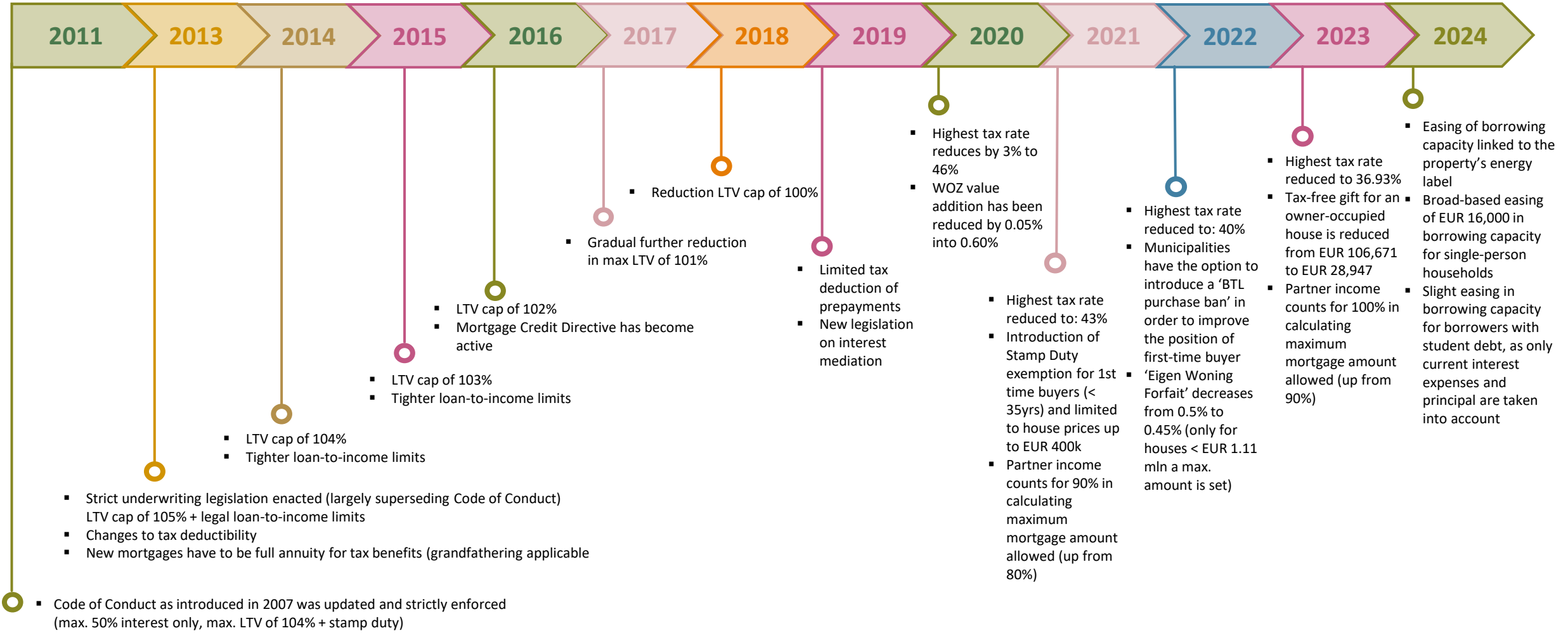
Write-off (bps)



*Special Servicing only manages the Centraal Beheer and Woonfonds portfolio. The other (external) portfolios are not included in these slides as they are not eligible for the SB CB programme*

# 5. Servicing – Changes in the acceptance process over time

## Evolution of Dutch mortgage lending standards



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

## We commit ourselves to a net zero strategy

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

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



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



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



### Sustainability in products and services

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

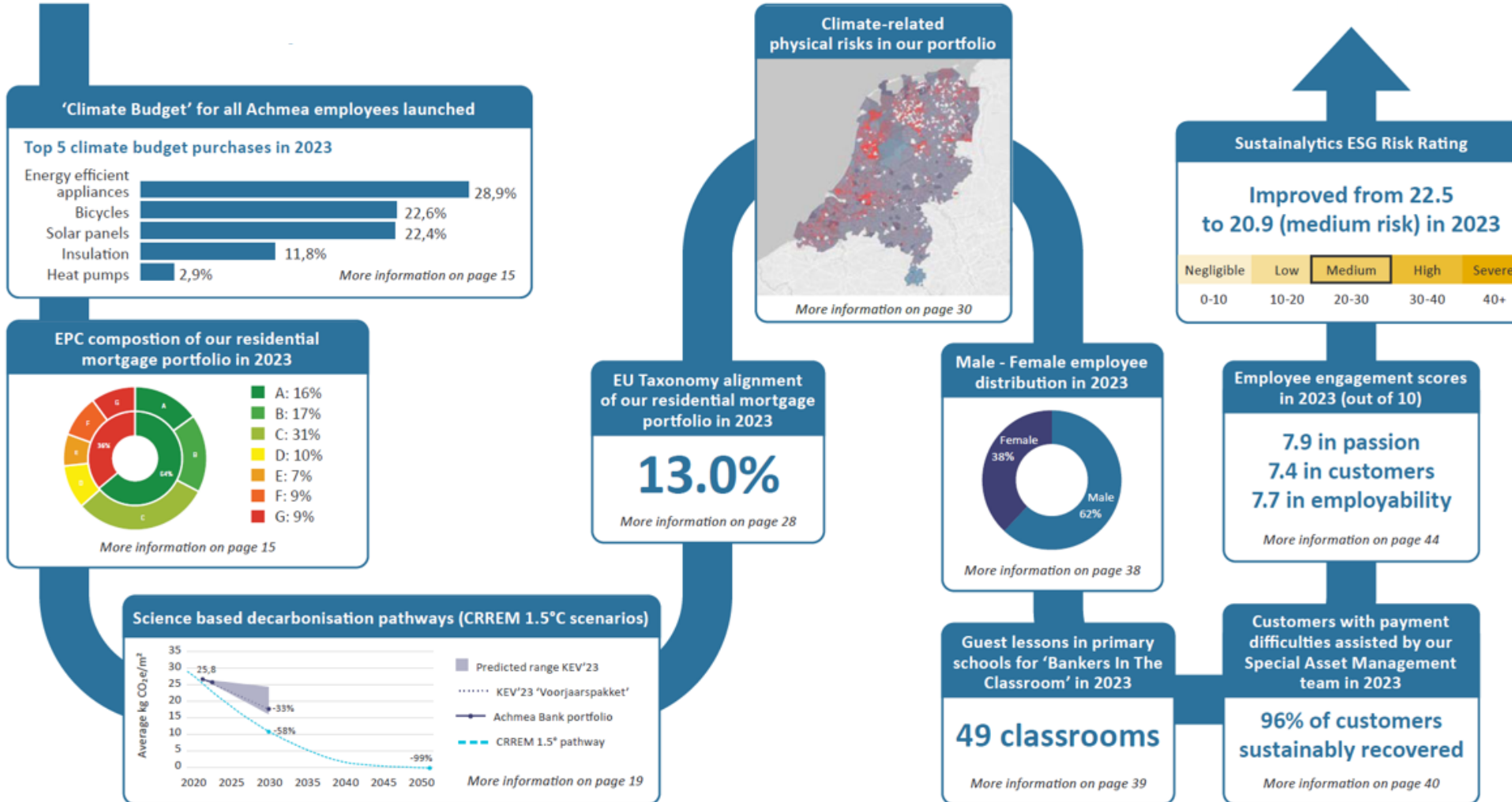
### Sustainability in business operations

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

Achmea Bank participates in the Partnership for Carbon Accounting Financials (PCAF), the Energy Efficient Mortgage Hub NL and The UNEPFI Principles for responsible Banking– this ensures a transition strategy that is comparable and measurable<sup>1</sup>

# 6. ESG

## Our impact in 2023

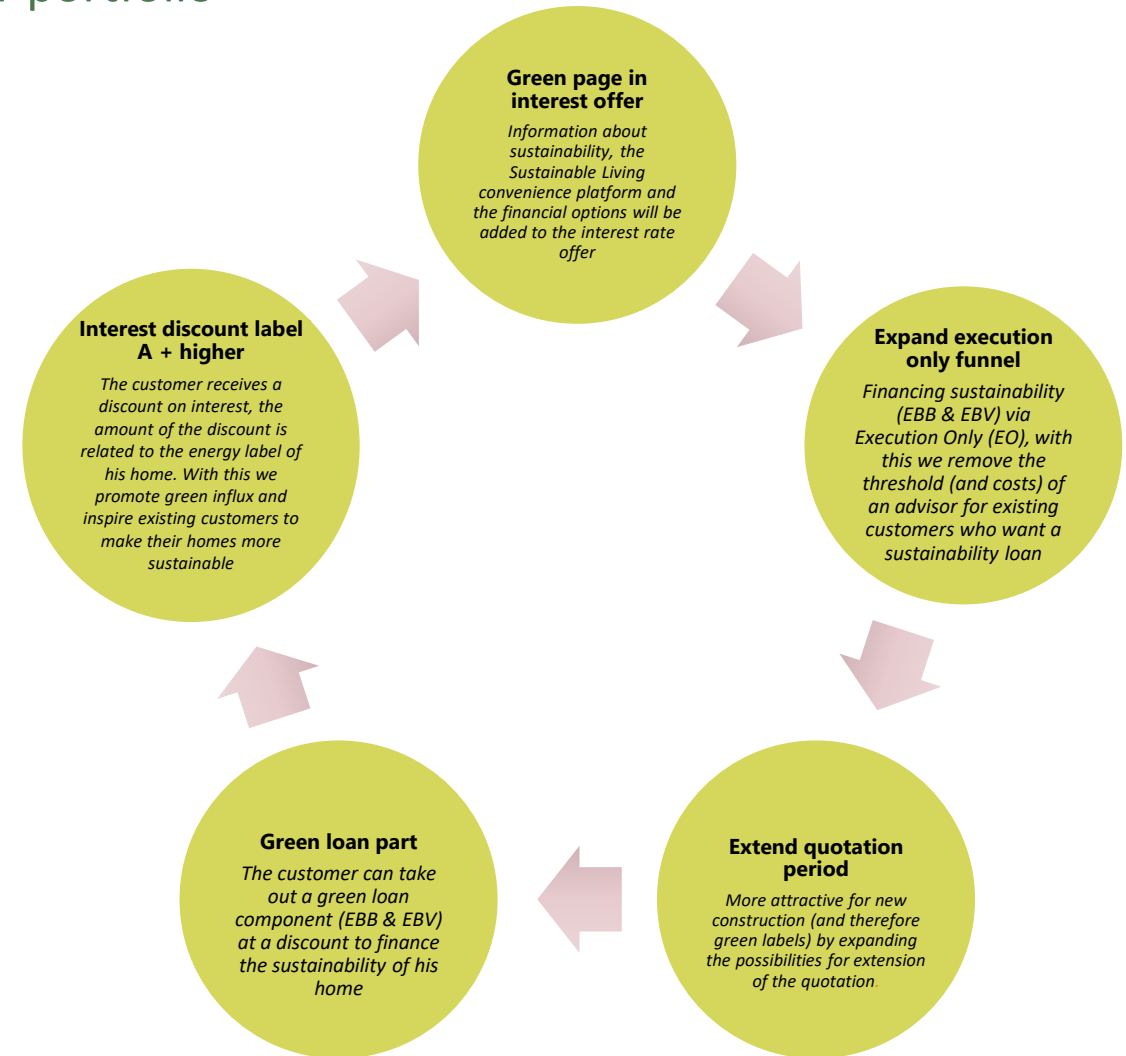


## 6. ESG

### Stimulating sustainability among homeowners in our portfolio

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

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



# 6. ESG - Sustainability framework of Achmea Bank



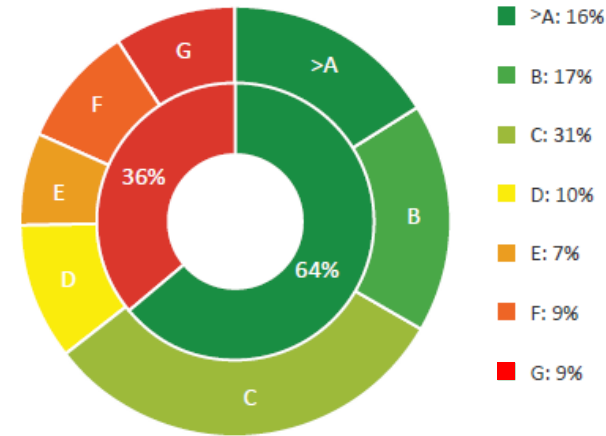
# 6. ESG

## Monitoring and steering on energy label

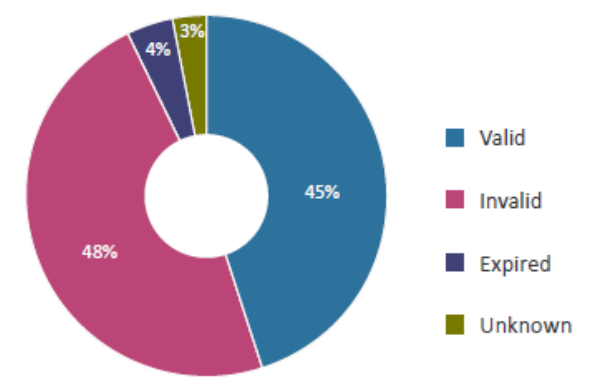
On average 19% of all carbon emissions in the Netherlands are caused by residential buildings (source: Milieu Centraal). To achieve the ambitions of the Paris climate agreement, a large part of the Dutch housing stock must be made more sustainable

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

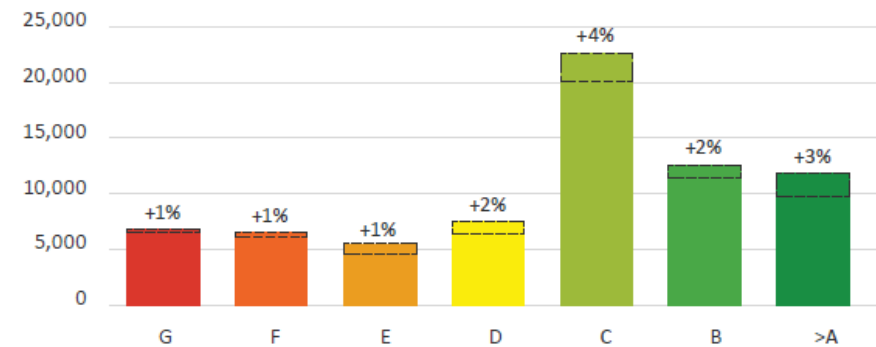
Energy labels in our portfolio (%)



Energy label status 2023 (%)



Energy labels (yoy change %)



Source: Calcasa at FY 2022 excl. Acier portfolio



# 6. ESG

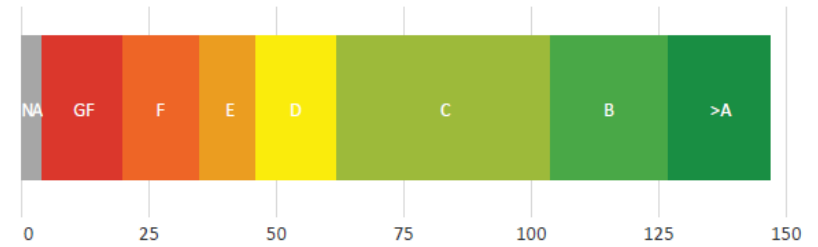
## The carbon footprint of Achmea Bank

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

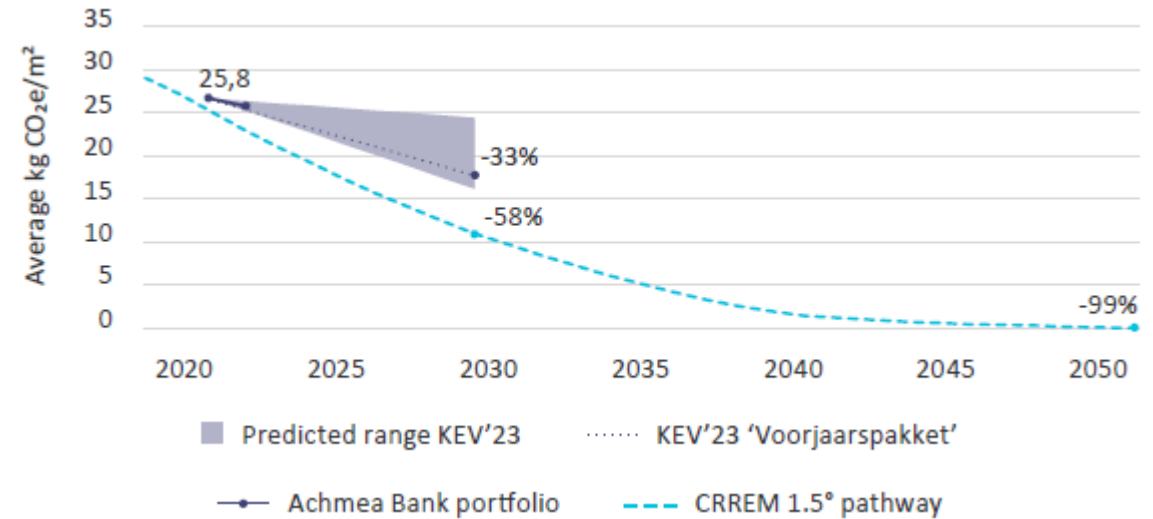
- In 2019 we started monitoring the CO2 emissions of our mortgage portfolio. The carbon emissions from our mortgage portfolio are calculated by using the PCAF methodology
- PCAF stands for: Platform Carbon Accounting Financials. The PCAF was created by a group of Dutch financial institutions to improve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

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

Financed carbon emissions (kt CO<sub>2</sub>e)



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



# 7. Achmea Green Finance Framework

## Achmea's Rationale for issuing Green Finance Instruments

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

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

### Aligning funding strategy with sustainability strategy and objectives

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



[Link](#)

# 7. Achmea Green Finance Framework

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

### Methodology report developed by external consultant CFP Green Buildings:

- CFP Green Buildings, a specialised consultant, helped to develop the approach for identifying the top 15% low-carbon residential buildings in the Netherlands
- In the Netherlands, buildings with an EPC label A comprise 19% of the total residential building stock. Therefore, year of construction is included as an additional criteria to define the top 15%
- If 2002 is selected as the cut-off year of construction, the EPC label A accounts for 14.6% of the building stock
- Achmea has conservatively selected 2004 as the cut-off year

### Residential Buildings with primary energy demand of NZEB minus 10%

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



[Link](#)

# 7. Achmea Green Finance Framework

## Framework Project Evaluation and Selection & Management of Proceeds

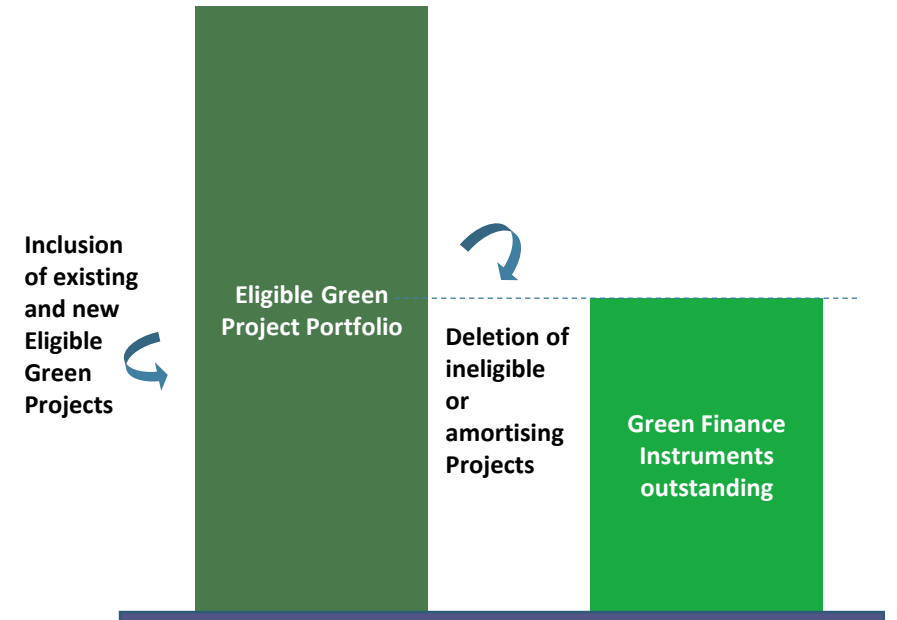
### Process for Project Evaluation and Selection

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

### Management of Proceeds

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

### Management of Proceeds based on a portfolio approach



# 7. Achmea Green Finance Framework

## Framework Reporting

- Reporting on the allocation of net proceeds to the Eligible Green Project Portfolio after a year from the issuance of the applicable Green Finance Instruments, to be renewed annually, or until full allocation
- Aligning, on a best effort basis, the reporting with the portfolio approach described in “Handbook - Harmonized Framework for Impact Reporting (June 2021)”

### Allocation Report

- To the extent practicable, Achmea will provide:
  - Total amount of proceeds allocated to Eligible Green Projects
  - Number of Eligible Green Projects
  - Balance of unallocated proceeds
  - Amount or the percentage of new financing and refinancing

### Impact Reporting

- Where feasible, Achmea may report on the following environmental indicators:
  - Estimated ex-ante annual energy consumption in KWh/m2
  - Estimated annual reduced and/or avoided emissions in tons of CO2 equivalent
  - Rentable area (m2) of commercial real-estate certified to an eligible green building standard

**achmea** 

Green Finance  
Allocation &  
Impact Report

# 5. Achmea Green Finance Framework

## Framework Reporting

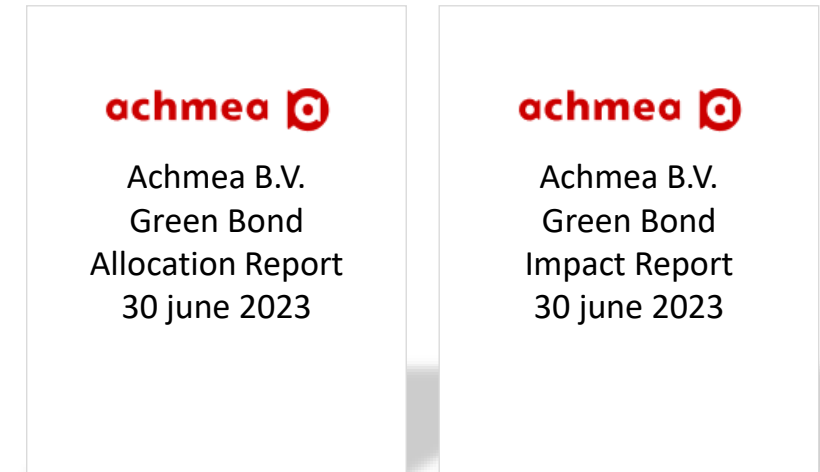
- The Green Finance Framework has been externally assessed by ISS ESG; a Second Party Opinion is available. The methodology has also been assessed by CFP Green Buildings
- Achmea B.V. issued its first and currently only green bond in November 2022, the details of which are presented in the table below

30 June 2023

| Eligible Green Loan Portfolio                 |                      |                            | Green Funding     |               |               |               |
|---|----------------------|----------------------------|-------------------|---------------|---------------|---------------|
| Category                                      | Number of properties | Amount (EURm) <sup>1</sup> | Instrument (ISIN) | Issuance Date | Maturity Date | Amount (EURm) |
| Eligible Green Project Portfolio <sup>2</sup> | 5.904                | 1.428                      | XS2560411543      | Nov 2022      | Nov 2025      | 500           |
| <b>Total</b>                                  |                      | <b>1.428</b>               | <b>Total</b>      |               |               | <b>500</b>    |

The Eligible Green Project Portfolio consists of € 962 mln. definitive EPC labels and € 466 mln. EPC labels calculated by Calcasa. The definitive EPC labels cover the € 500 mln issued Green Bond.

|  |      |
|--|------|
| Percentage of Eligible Green Project Portfolio allocated to net proceeds of green funding (usage): | 35%  |
| Percentage of net proceeds of Green Funding allocated to Eligible Green Loan Portfolio:            | 100% |
| Eligible Green Loan Portfolio - Unallocated (EURm) (based on definitive and calculated EPC labels) | 928  |
| Eligible Green Loan Portfolio - Unallocated (EURm) (based on definitive EPC labels)                | 462  |
| New property loans added to the Eligible Green Loan Portfolio since 31 Dec 2022 (EURm)             | 141  |



[Link](#)

[Link](#)

# 7. Achmea Green Finance Framework

## Framework External Review

**Pre-issuance verification:** Positive Second Party Opinion from ISS ESG, one of the world's leading rating agencies in the field of sustainable investment

### ISS ESG Assessment Summary:

- According to the ISS ESG Corporate Rating, the issuer shows a high sustainability performance against the industry peer group on key ESG issues
- Use of Proceeds are consistent with the issuer's sustainability strategy and material ESG topics for the issuer's industry. The rationale for issuing Green Finance Instruments is clearly described
- Use of proceeds, processes for project evaluation and selection, management of proceeds and reporting are in line with the GBP and GLP
- ISS ESG assessed the alignment of Achmea's project characteristics, due diligence processes and policies against the requirements of the EU Taxonomy (Climate Delegated Act of June 2021). Based on robust processes for selection, the nominated project categories are considered to be:
  - Aligned with the Climate Change Mitigation Criteria
  - Aligned with the Do No Significant Harm Criteria
  - Aligned with the Minimum Social Safeguards requirements

**Post-issuance verification:**  
Limited assurance on the Allocation Report

- Achmea may request, one year after issuance or after full allocation, a verification by its external auditor of a management statement on the allocation of the proceeds of Green Finance Instruments to the Eligible Green Project Portfolio



Source: Achmea B.V. Second Party Opinion (ISS ESG, 15 February 2022)

# 8. Soft Bullet Covered Bond programme

## Soft Bullet cover pool highlights over time

|                              |   |
|------------------------------|---|
| <b>Issuer</b>                | Achmea Bank N.V.  |
| <b>Programme Size</b>        | EUR 10 bn   |
| <b>Format</b>                | Soft Bullet   |
| <b>Extension Period</b>      | Maximum of 12 months  |
| <b>Rating (S&amp;P)</b>      | AAA   |
| <b>Currency</b>              | Multi Currency  |
| <b>Guarantor</b>             | Achmea SB Covered Bond Company B.V. (CBC)   |
| <b>Collateral</b>            | Prime Dutch Residential Mortgages   |
| <b>Indexed LtV Cut-Off</b>   | 80%   |
| <b>Compliance with</b>       | <ul style="list-style-type: none"><li>✓ Dutch Covered Bond Regulations</li><li>✓ Article 129 CRR</li><li>✓ <b>European Covered Bond (Premium) Label</b></li></ul>               |
| <b>Overcollateralisation</b> | <ul style="list-style-type: none"><li>• Minimum (statutory) CRR OC% of at least 5%</li><li>• Available (statutory) CRR OC%: 35.36%</li><li>• Asset Percentage: 93.47%</li></ul> |
| <b>Swaps</b>                 | <ul style="list-style-type: none"><li>• Swaps are optional to the Programme<sup>2</sup></li></ul>   |

### Key Benefits

#### Dual Recourse

- Recourse to Achmea Bank (A-/A) (S&P/Fitch) on an unsecured basis should the Cover Pool be insufficient to repay Covered Bond Holders
- Recourse to CBC in case of default of Achmea Bank

#### Favourable Regulatory Treatment

- Qualify as LCR eligible (Level 1)
- Solvency II eligible
- UCITS and CRR article 129 compliant
- ECB repo eligible

#### Cover Pool<sup>1</sup>

- Weighted average CLTIMV of 68.38%
- 30.07 % is backed by NHG guarantee
- Mortgage loans originated by Achmea Bank and Achmea Hypotheken

#### Reporting

- Industry compliance through NTT and HTT reporting
- ECBC Covered Bond Label

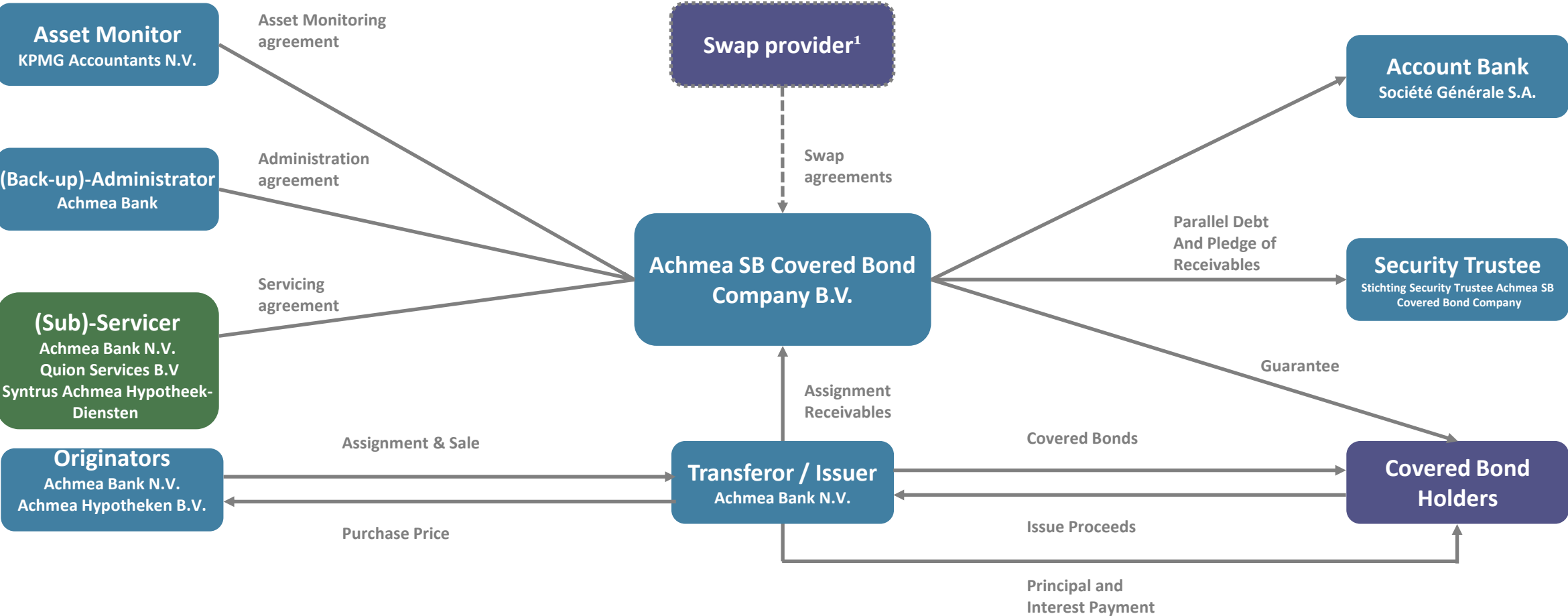
1. NTT Report Achmea SB Covered Bond, cut-off date 30 April 2024

2. Currently no swaps have been executed



# 8. Soft Bullet Covered Bond programme

## Transaction Structure



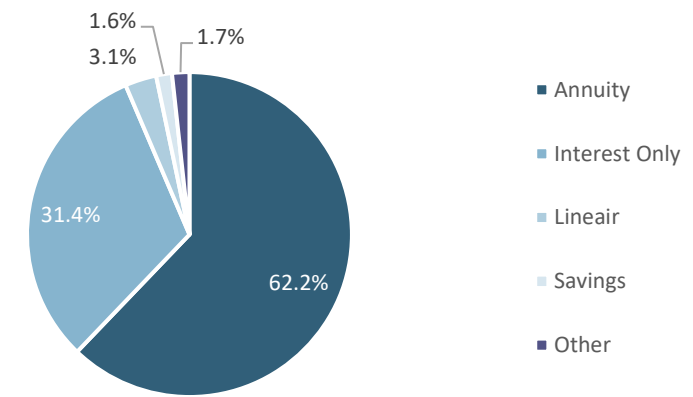
1. portfolio swaps, structure swaps and interest rate swaps are optional

# 8. Soft Bullet Covered Bond programme

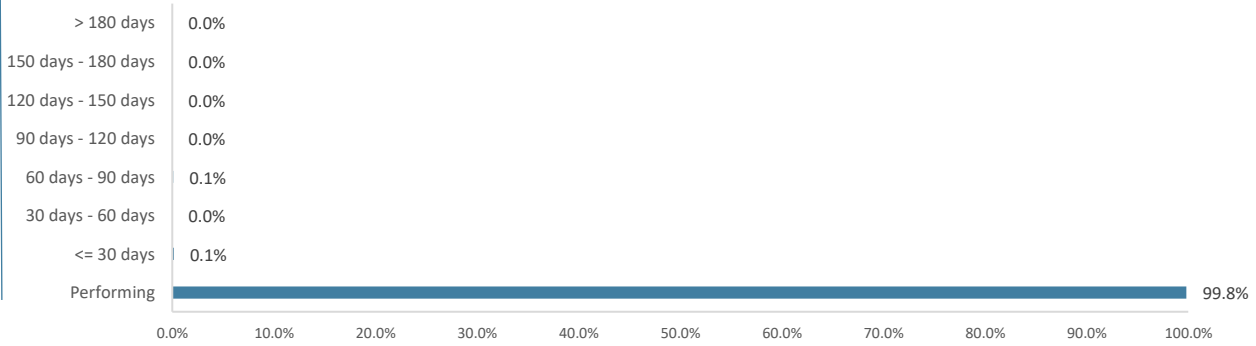
## Cover pool highlights<sup>1</sup>

|   |                   |
|---|-------------------|
| <b>Cut-off Date</b>                             | 30 April 2024     |
| <b>Principal Balance</b>                        | EUR 5,946,625,116 |
| <b>Value of saving deposits</b>                 | EUR 216,495,015   |
| <b>Net Principal Balance</b>                    | EUR 5,730,130,101 |
| <b>Number of Loans</b>                          | 27,432            |
| <b>Number of Loan Parts</b>                     | 55,853            |
| <b>Average principal balance (per borrower)</b> | EUR 208,885       |
| <b>w.a. current interest rate (%)</b>           | 2.99%             |
| <b>w.a. remaining fixed rate period (yrs)</b>   | 8.15              |
| <b>w.a. seasoning (yrs)</b>                     | 5.38              |
| <b>w.a. CLTOMV (%)</b>                          | 73.38%            |
| <b>w.a. CLTIMV (%)</b>                          | 68.38%            |
| <b>NHG (%)</b>                                  | 30.07%            |

**Mortgage Type (in %)**



**Performance (in %)**

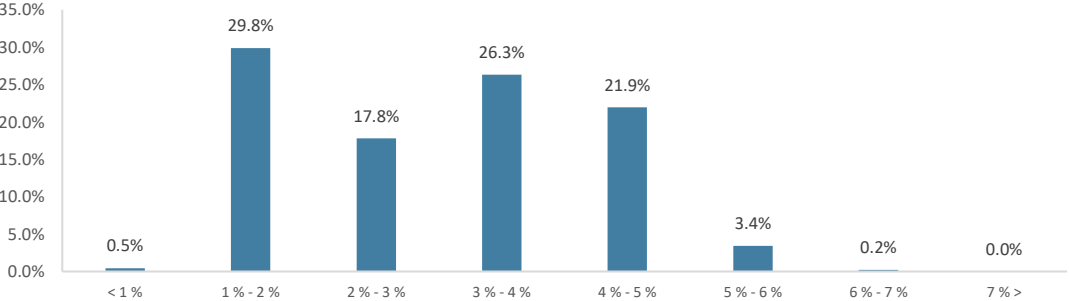


1. NTT Report Achmea SB Covered Bond, cut-off date 30 April 2024

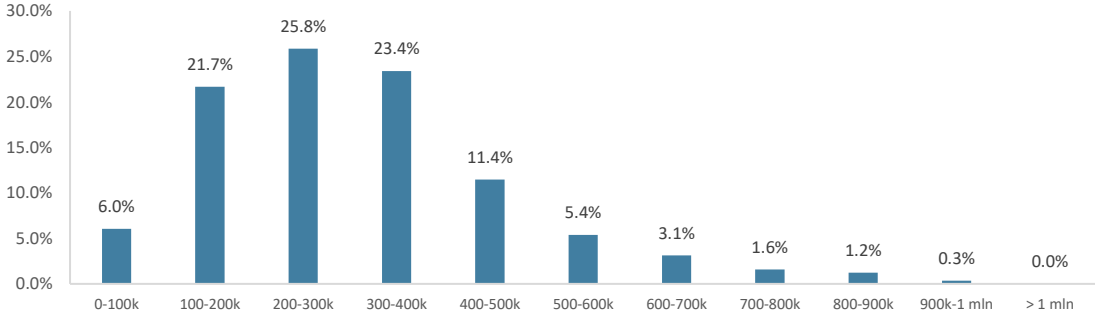
# 8. Soft Bullet Covered Bond programme

## Cover pool highlights<sup>1</sup>

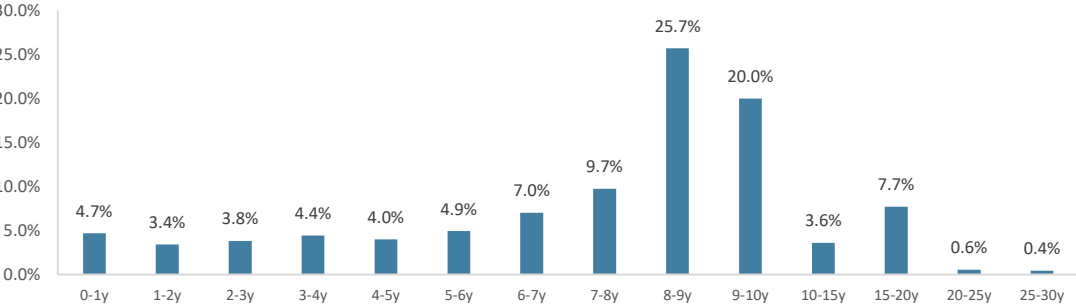
**Interest Rate Buckets**  
(in %)



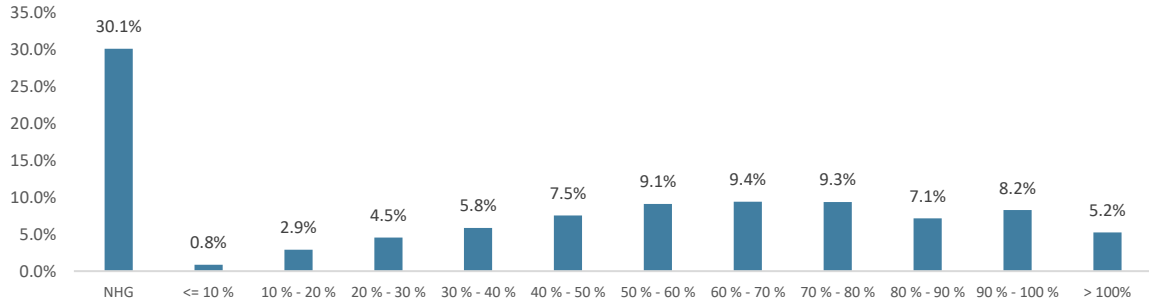
**Current Loan Balance**  
(in %)



**Interest Reset Date**  
(in %)



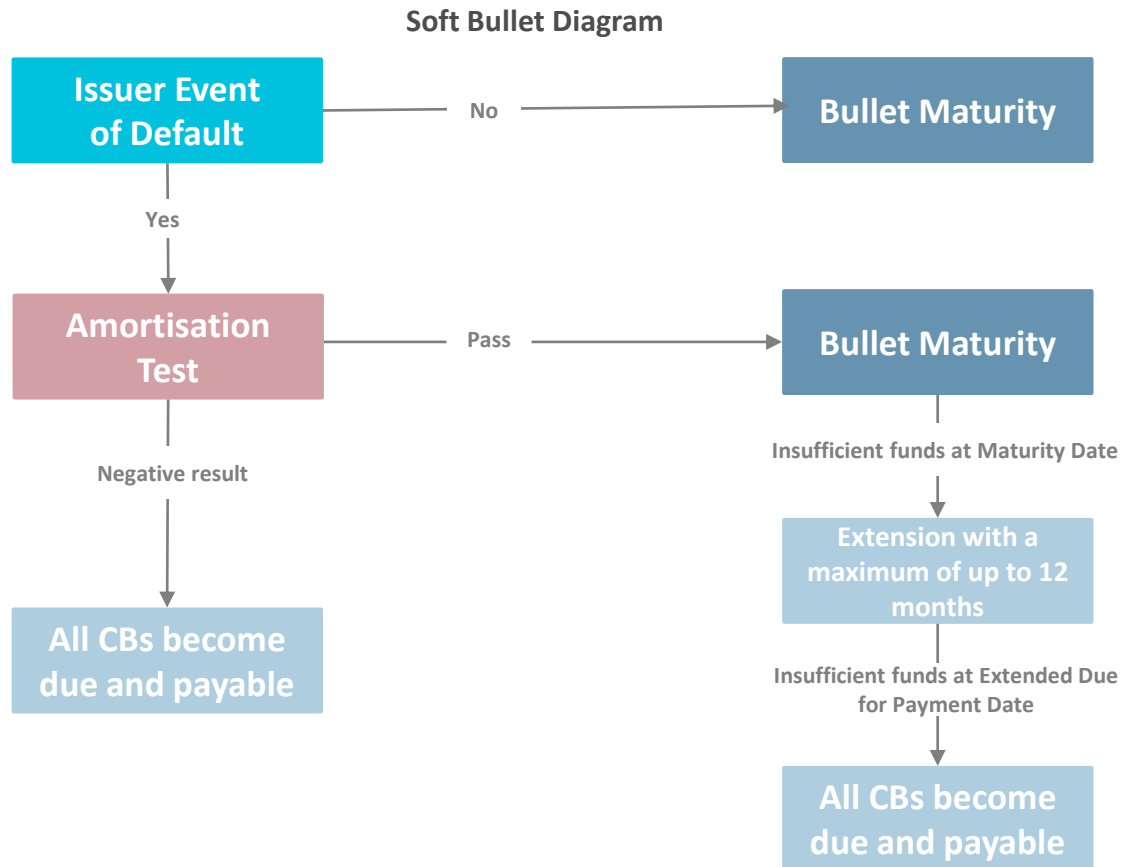
**Current Loan-to-Indexed Market Value**  
(in %)



1. NTT Report Achmea SB Covered Bond, cut-off date 30 April 2024

# 8. Soft Bullet Covered Bond programme

## Soft Bullet Mechanism



### Going-concern










- The Covered Bonds (CBs) are bullet securities due on the Maturity Date and the issuer will make the coupon and principal payments to the investors
- The ACT ensures that the cover pool meets the minimum OC requirements

### Issuer Event of Default

- The ACT will be replaced by the Amortisation Test
- If on the Maturity Date of the CB an Issuer Event of Default takes place and the CBC has insufficient funds to redeem the CB, this will not trigger a CBC Event of Default
- At such moment the Maturity Date is extended for a maximum of 12 months
- During this extension period the administrator undertakes to (partially) sell the cover pool and to use the proceeds to (partially) repay the CB series on every Interest Payment Date within this period
- If the structure has insufficient funds to repay a specific series on the Extended Due for Payment Date, this will trigger a CBC default and result in all CBs becoming due and payable
- A Breach of the Amortisation Test would also constitute a CBC Event of Default and lead to all CBs becoming due and payable

# 8. Soft Bullet Covered Bond programme

## Dutch Covered Bond programmes compared<sup>1</sup>

|                                     |  ABN-AMRO |  achmea |  LEGON |  Van Lanschot |  ING |  NIBC |  NN |  Rabobank |  de volksbank |
|-------------------------------------|--|--|---|--|---|--|--|--|--|
| <b>Issuer Rating (S/M/F)</b>        | A/A1/A   | A-/NR/A  | A-/NR/NR  | BBB+/NR/BBB+   | A+/A1/AA-   | BBB/NR/BBB   | A-/NR/NR   | A+/Aa2/A+  | A/A2/A-  |
| <b>Programme Rating (S/M/F)</b>     | NR/Aaa/AAA   | 1) AAA/NR/NR   | 1) AAA/NR/NR<br>2) AAA/NR/NR  | AAA/NR/NR  | AAA/Aaa/AAA   | AAA/NR/AAA   | AAA/NR/NR  | NR/Aaa/NR  | NR/Aaa/AAA   |
| <b>Collateral Type</b>              | Prime Residential Dutch Mortgages  | Prime Residential Dutch Mortgages  | Prime Residential Dutch Mortgages   | Prime Residential Dutch Mortgages  | Prime Residential Dutch Mortgages   | Prime Residential Dutch Mortgages  | Prime Residential Dutch Mortgages  | Prime Residential Dutch Mortgages  | Prime Residential Dutch Mortgages  |
| <b>Repayment Type</b>               | HB/SB  | 1) SB  | 1) CPT<br>2) SB   | SB   | HB/SB   | 1) CPT<br>2) SB  | SB   | SB   | SB   |
| <b>Indexed Valuation</b>            | Kadaster, 85% increase<br>100% decrease  | Calcasa, 90% increase<br>100% decrease   | Kadaster, 90% increase<br>100% decrease   | Kadaster, 90% increase<br>100% decrease  | Kadaster/ Calcasa, 90% increase<br>100% decrease  | Kadaster, 90% increase<br>100% decrease  | Kadaster, 90% increase<br>100% decrease  | Kadaster, 90% increase<br>100% decrease  | Kadaster, 100% increase<br>100% decrease   |
| <b>Asset Percentage</b>             | 88.0%  | 1) 93.47%  | 1) 93.0%<br>2) 93.0%  | 82.0%  | 97.21%  | 1) 97.5%<br>2) 77.0%   | 93.5%  | 100%   | 91.0%  |
| <b>CLTIMV</b>                       | 58.63%   | 68.38%   | 1) 47.91%<br>2) 56.38%  | 50.19%   | 46.68%  | 1) 54.68%<br>2) 60.41%   | 56.53%   | 55.79%   | 49.43%   |
| <b>Total Return Swap Provider</b>   | n.a.   | n.a.   | n.a.  | n.a.   | ING Bank N.V.   | n.a.   | n.a.   | n.a.   | n.a.   |
| <b>UCITS Compliant</b>              | Yes  | Yes  | Yes   | Yes  | Yes   | Yes  | Yes  | Yes  | Yes  |
| <b>CRR Article 129 Compliant</b>    | Yes  | Yes  | Yes   | Yes  | Yes   | Yes  | Yes  | Yes  | Yes  |
| <b>ECBC Premium Label compliant</b> | Yes  | Yes  | Yes, only SB  | Yes  | Yes   | Yes, only SB   | Yes  | Yes  | Yes  |
| <b>Comments</b>                     |  |  | Two public programmes   |  |   | Two public programmes  |  |  |  |

1. Based on NTT (End of November 2023) reporting figures as published by individual issuers in December 2023

# Contact details

## Corporate Finance



**Rudi Kramer**  
*Senior Manager*

+ 31 6 5326 4552  
rudi.kramer@achmea.nl



**Hans Duine**  
*Investor Relations*

+ 31 6 8210 5097  
hans.duine@achmea.nl

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