

**ACHMEA BANK N.V. REPORTS AN OPERATING PROFIT BEFORE INCOME TAXES OF EUR 18 MILLION**

Tilburg, 10 March 2023

- Achmea Bank N.V. reported for 2022 an operating profit of EUR 18 million, EUR 13 million after tax (2021: EUR 52 million, after tax EUR 39 million)
- The Common Equity Tier 1 Capital Ratio remains strong at 18.2% (2021: 20.9%)
- The mortgage portfolio increased by EUR 1.3 billion (+11.7%), to EUR 12.4 billion, through higher mortgage production (EUR 2.0 billion) and the acquisition of mortgages from a.s.r. (EUR 0.9 billion)
- The increase reflects the effectiveness of the Bank's growth and diversification strategy
- Climate transition plan issued in 2022

Achmea Bank reported an operating profit before income taxes of EUR 18 million in 2022 (2021 EUR 52 million). The operating profit declined mainly due to a lower interest margin of EUR 20 million and higher impairment charges of EUR 13 million. The latter due to an incidental release relating to the implementation of a second generation IFRS 9 model in 2021. The interest margin decreased from EUR 138 million to EUR 118 million as a result of lower compensation for early redemptions and lower interest income for the mortgage portfolio. During 2022, more specifically the second half, the development of the interest margin is positive due to an increase of the mortgage production and higher margins on new and repricing mortgages compared to last year. The rise in interest rates resulted in a shift of the mortgage market to shorter fixed-interest periods ( $\leq 10$ y) which is positive for Achmea Bank, given our chosen strategy. In the 2<sup>nd</sup> half of 2022 the interest margin (EUR 63 million) increased compared to the 1<sup>st</sup> half of 2022 (EUR 55 million), which reflects this positive development.

The mortgage production of Centraal Beheer for Achmea Bank increased due to the shift of the mortgage market to shorter fixed-interest periods together with a strong price position production increased by EUR 1.2 billion (+ 250%) to EUR 2.0 billion in 2022 (2021: EUR 0.8 billion). Combined with prepayments of EUR 1.6 billion and the acquired portfolios from a.s.r. (EUR 0.9 billion), the Achmea Bank mortgage portfolio increased by EUR 1.3 billion (+11.7%) to EUR 12.4 billion. This increase reflects the effectiveness of the Bank's growth and diversification strategy.

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.

The fair value result of EUR 7 million (2021 EUR 5 million) is an accounting result that is mainly compensated in other reporting periods, generally reflecting a pull to par as the underlying derivatives (used for hedging interest rate risk) approach maturity.

The Bank retained its sound liquidity position with liquidity ratios well above internal and external limits. In addition the Bank maintained different maturity profiles in its funding mix. In May 2022, the Bank issued a second EUR 0.5 billion tranche under its EUR 5 billion Soft Bullet Covered Bond Programme, which was established in 2021. The Bank has a diversified funding mix, comprising retail funding as well as unsecured and secured wholesale funding.

The Common Equity Tier 1 Capital Ratio remains strong at 18.2% (2021: 20.9%). The decrease is mainly due to higher mortgage origination. In April 2022, Achmea Bank paid a dividend of EUR 42 million to its shareholder Achmea B.V., the 2021 net distributable profit plus a small amount (EUR 3 million) of released other reserves.

Achmea Bank is working towards the implementation of Advanced Internal Rating-Based (AIRB) approach for its regular mortgage portfolio(s). This strengthens the bank's credit risk management and data driven strategy further and is expected to result in lower capital requirements.

S&P confirmed the Issuer Credit Rating Outlook per 16 November 2022 of A-/stable and Fitch confirmed the issuer Default Rating of A/Stable per 15 November 2022.

Tilburg, 10 March 2023

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

BEFORE APPROPRIATION OF RESULT		
IN THOUSANDS OF EUROS		
AS AT	31 DECEMBER 2022	31 DECEMBER 2021
<b>Assets</b>		
Cash and balances with Central Banks	774,244	780,114
Loans and advances to banks	641,572	592,694
Derivative assets held for risk management	537,769	61,769
Loans and advances to public sector	606	629
Loans and advances to customers	11,870,599	11,363,221
Current tax assets	4,964	-
Prepayments and other receivables	99,271	47,684
Deferred tax assets	4,239	1,879
<b>Total Assets</b>	<b>13,933,264</b>	<b>12,847,990</b>
<b>Liabilities</b>		
Deposits from banks	1,137,916	55,535
Derivative liabilities held for risk management	410,529	339,695
Funds entrusted	8,086,409	7,515,211
Current tax liabilities	0	2,043
Accruals and other liabilities	73,782	65,040
Debt securities issued	3,433,534	4,050,709
Subordinated liabilities	1,191	1,191
Provisions	22	500
<b>Total Liabilities</b>	<b>13,143,383</b>	<b>12,029,924</b>
Share Capital	18,152	18,152
Share premium	505,609	505,609
Other reserves	252,705	255,036
Net profit for the period	13,415	39,269
<b>Total Equity</b>	<b>789,881</b>	<b>818,066</b>
<b>Total Equity and Liabilities</b>	<b>13,933,264</b>	<b>12,847,990</b>

## KEY FIGURES

IN MILLIONS OF EUROS	2022	2021	CHANGE
Interest Income	275	304	-10%
Interest expense	157	166	-5%
<b>Interest margin</b>	<b>118</b>	<b>138</b>	<b>-14%</b>
Changes in fair value of financial instruments	7	5	40%
<b>Interest margin and changes in fair value of financial instruments</b>	<b>125</b>	<b>143</b>	<b>-13%</b>
Other income	1	1	0%
Fees and commission income and expense	1	1	0%
<b>Operating income</b>	<b>127</b>	<b>145</b>	<b>-12%</b>
Impairment of financial assets	4	-9	n/a
Operating expenses	105	102	3%
<b>Total expenses</b>	<b>109</b>	<b>93</b>	<b>17%</b>
<b>Operating profit before income taxes</b>	<b>18</b>	<b>52</b>	<b>-65%</b>
Income tax expense	5	13	-62%
<b>Net profit</b>	<b>13</b>	<b>39</b>	<b>-67%</b>
Operating profit excluding fair value result	11	47	-77%
<b>RATIOS</b>	<b>2022</b>	<b>2021</b>	
Return on average equity	1.7%	4.8%	
Efficiency ratio (operating expenses/interest margin, fees and other income)	87.8%	72.6%	
Common Equity Tier 1 Capital Ratio	18.2%	20.9%	
Total Capital Ratio	18.2%	20.9%	
Leverage ratio	5.4%	6.6%	
Net Stable Funding Ratio	130%	133%	
Liquidity Coverage Ratio	211%	297%	

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

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**About Achmea**

Achmea is the parent company of strong insurance brands such as Centraal Beheer, Interpolis and Zilveren Kruis. Together they form the largest insurance group in the Netherlands. Achmea has a cooperative background and balances the interests of customers, partners, employees and shareholders. Achmea is active in five countries in addition to the Netherlands. There is more information on

[www.achmea.com](http://www.achmea.com)

**About Achmea Bank**

Achmea Bank is part of Achmea and provides mortgages and savings products to the retail market in the Netherlands via the Centraal Beheer and Woonfonds labels. Achmea Bank is licensed to provide financial services under the Financial Supervision Act (Wft). Achmea Bank has a mortgage portfolio of approximately €12 billion and manages savings of approximately €8 billion. Achmea Bank is located in Tilburg. [www.achmeabank.com](http://www.achmeabank.com)

This statement is published by Achmea Bank N.V. and contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

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