

Achmea Bank N.V.

Key Rating Drivers

Long-Term IDR Equalised with Parent: Achmea Bank N.V.'s Issuer Default Ratings (IDRs) and Shareholder Support Rating (SSR) are based on Fitch Ratings' view of a very high probability that the bank would receive extraordinary support from its parent Achmea B.V. (Achmea; A/Stable) in the event of need. Our view is primarily driven by Achmea Bank's key role within the group in complementing its retirement services offering and by tight integration with the parent. The Stable Outlook on Achmea Bank's Long-Term IDR mirrors that on Achmea.

Key to Group Strategy: The bank is part of Achmea's strategy of offering a full range of financial products to the group's clients and growing the group's retirement services business. Achmea Bank provides mortgages and tax-efficient savings, which complement the group's product offering, and distributes the group's retail investment products.

Strong Integration with Parent: Our view of support also reflects the bank's deep integration with Achmea in strategy, operations, liquidity management and common branding. The bank shares several services and back-office functions with the parent, and its strategy is designed to support the group's targets. Although highly integrated with the parent, Achmea Bank has direct access to external funding.

No Viability Rating Assigned: Fitch does not assign a Viability Rating to Achmea Bank due to its close integration with the group and Fitch's view that the bank does not have a meaningful standalone franchise that could exist without the ownership of the parent. Achmea Bank's retail savings are part of the integrated product proposition under the group's brand, Central Beheer, and the bank has limited standalone access to retail savings clients.

Healthy Asset Quality: The loan book (end-2024: 88% of assets) is dominated by low-risk Dutch residential mortgage loans, which generate low through-the-cycle impaired loans and credit losses. The 2021-2024 average impaired loans ratio of about 0.7% is reasonably in line with that of larger Dutch peers' residential mortgage loan portfolios. Loan impairment charges have been consistently very low (2024: 1bp of average loans).

Modest Profitability: Fitch's view of Achmea Bank's profitability considers its strong integration within Achmea and its record in supporting the group's business objectives through cross-selling. It has strongly benefitted from higher interest rates as its revenue is heavily reliant on net interest income. However, the lack of product diversification and its small size constrain through-the-cycle profitability. The bank aims to continue scaling up its balance sheet, both organically and through additional loan portfolio acquisitions.

Solid Capitalisation: The common equity Tier 1 ratio is strong (end-2024: 16.6%; end-2023: 16.9%). The issuance of EUR125 million Tier 2 notes led to the total capital ratio strengthening to 19.1%. The regulatory leverage ratio of 4.3% was also satisfactory for a Dutch retail-focused bank.

Diversified Funding, Sound Liquidity: Achmea Bank's healthy funding mix consists of customer deposits (60% of funding at end-2024; mostly guaranteed), and secured and unsecured wholesale funding.

Liquidity is underpinned by a sizeable amount of liquid assets comprising on-demand central bank deposits, retained covered bonds and EU government bonds. The latter are available through an 'asset switch' agreement whereby Achmea Bank may swap, with a sister company, mortgage loans for bonds that can be re-pledged to obtain funding from the European Central Bank.

Ratings

Foreign Currency

Long-Term IDR	A
Short-Term IDR	F1

Shareholder Support Rating	a
----------------------------	---

Sovereign Risk (Netherlands)

Long-Term Foreign-Currency IDR	AAA
Long-Term Local-Currency IDR	AAA
Country Ceiling	AAA

Outlooks

Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Highest ESG Relevance Scores

Environmental	2
Social	3
Governance	3

Applicable Criteria

Bank Rating Criteria (March 2025)

Related Research

- Benelux Banking M&A Driven by Diversification and Fee Income (March 2025)
- Netherlands Mortgage Index Monitor: 1H25 (March 2025)
- Global Economic Outlook (March 2025)
- Fitch Affirms the Netherlands at 'AAA'; Outlook Stable (January 2025)
- Western European Banks Outlook 2025 (December 2024)
- Fitch Affirms Achmea at 'A'; Outlook Stable (June 2024)

Analysts

Gary Hanniffy, CFA
+49 69 768076 266
gary.hanniffy@fitchratings.com

Oceane Lefebvre
+33 1 44 29 91 49
oceane.lefebvre@fitchratings.com

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

Achmea Bank’s ratings could be downgraded if Achmea’s Long-Term IDR was downgraded or if Fitch perceives a decrease in Achmea’s propensity or ability to support its banking subsidiary, particularly if the bank’s activities become less strategic for the parent.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

Achmea Bank’s IDRs could be upgraded if the parent’s Long-Term IDR were upgraded.

Other Debt and Issuer Ratings

Rating level	Rating
Senior unsecured: long-term/short-term	A/F1
Subordinated: long term	BBB+

Source: Fitch Ratings

Achmea Bank’s senior unsecured debt ratings are aligned with the bank’s IDRs as we view the probability of default on senior unsecured obligations as the same as that of the bank.

The rating of the subordinated notes is two notches below Achmea Bank’s ‘A’ Long-Term IDR. The anchor rating is the Long-Term IDR as Fitch believes support from the parent, Achmea B.V., would be extended to these instruments. The notes are notched down twice for loss severity, in line with the baseline approach in our criteria, as we expect poor recovery prospects in the event of failure. We did not apply additional notching for non-performance risk, as the notes do not have any going-concern loss-absorption, such as coupon omission or deferral features.

Financials

Financial Statements

	31 Dec 24		31 Dec 23	31 Dec 22	31 Dec 21
	Year end (USDm) Audited - unqualified	Year end (EURm) Audited - unqualified	Year end (EURm) Audited - unqualified	Year end (EURm) Audited - unqualified	Year end (EURm) Audited - unqualified
Summary income statement					
Net interest and dividend income	238	229	205	118	138
Net fees and commissions	13	13	1	1	1
Other operating income	-4	-4	-8	9	6
Total operating income	247	238	198	127	145
Operating costs	150	144	115	105	102
Pre-impairment operating profit	97	93	83	22	43
Loan and other impairment charges	2	1	2	4	-9
Operating profit	95	92	81	18	52
Tax	25	24	21	5	13
Net income	71	68	60	13	39
Fitch comprehensive income	71	68	60	13	39
Summary balance sheet					
Assets					
Gross loans	17,842	17,167	14,161	11,893	11,378
- Of which impaired	119	114	76	78	100
Loan loss allowances	25	24	28	22	14
Net loans	17,817	17,143	14,133	11,871	11,364
Interbank	606	584	638	642	636
Derivatives	340	328	371	538	62
Other securities and earning assets	0	0	31	0	0
Total earning assets	18,763	18,054	15,172	13,051	12,061
Cash and due from banks	1,238	1,191	599	774	737
Other assets	311	299	164	109	50
Total assets	20,312	19,544	15,935	13,933	12,848
Liabilities					
Customer deposits	11,297	10,869	9,377	8,086	7,515
Interbank and other short-term funding	1,456	1,401	1,183	1,723	526
Other long-term funding	6,126	5,895	4,009	2,850	3,582
Trading liabilities and derivatives	433	416	437	411	340
Total funding and derivatives	19,311	18,581	15,007	13,070	11,962
Other liabilities	95	91	94	74	67
Total equity	906	872	835	790	818
Total liabilities and equity	20,312	19,544	15,935	13,933	12,848
Exchange rate		USD1 = EUR0.962186	USD1 = EUR0.912742	USD1 = EUR0.937559	USD1 = EUR0.884173

Source: Fitch Ratings, Fitch Solutions, Achmea Bank

Key Ratio

	31 Dec 24	31 Dec 23	31 Dec 22	31 Dec 21
Ratios (%; annualised as appropriate)				
Profitability				
Operating profit/risk-weighted assets	1.8	1.8	0.4	1.4
Net interest income/average earning assets	1.4	1.5	1.0	1.1
Non-interest expense/gross revenue	60.8	58.0	82.7	70.2
Net income/average equity	7.9	7.4	1.7	4.7
Asset quality				
Impaired loans ratio	0.7	0.5	0.7	0.9
Growth in gross loans	21.2	19.1	4.5	-6.1
Loan loss allowances/impaired loans	21.2	37.4	27.7	14.0
Loan impairment charges/average gross loans	0.0	0.0	0.0	-0.1
Capitalisation				
Common equity Tier 1 ratio	16.6	16.9	18.2	20.9
Tangible common equity/tangible assets	4.5	5.2	5.6	6.4
Basel leverage ratio	4.3	4.8	5.4	6.5
Net impaired loans/common equity Tier 1 capital	10.7	6.1	7.3	11.0
Funding and liquidity				
Gross loans/customer deposits	157.9	151.0	147.1	151.4
Gross loans/customer deposits + covered bonds	110.8	110.1	112.5	119.7
Liquidity coverage ratio	191.0	164.0	211.0	297.0
Customer deposits/total non-equity funding	59.8	64.4	63.9	64.7
Net stable funding ratio	129.0	129.0	130.0	133.0

Source: Fitch Ratings, Fitch Solutions, Achmea Bank

Support Assessment

Shareholder Support	
Parent IDR	A
Total Adjustments (notches)	0
Shareholder Support Rating	a
Shareholder ability to support	
Shareholder Rating	A/ Stable
Shareholder regulation	Equalised
Relative size	1 Notch
Country risks	Equalised
Shareholder propensity to support	
Role in group	Equalised
Reputational risk	Equalised
Integration	Equalised
Support record	1 Notch
Subsidiary performance and prospects	1 Notch
Legal commitments	2+ Notches

The colours indicate the weighting of each KRD in the assessment.

Higher influence Moderate influence Lower influence

Fitch's assessment of a very high likelihood of shareholder support is driven by the bank's key role in the group, its strong integration with the parent, and reputational risk for Achmea should the subsidiary default. Achmea's ability to support Achmea Bank is strong, as reflected in its Long-Term IDR of 'A'.

We believe a default of the bank would constitute a high reputational risk for Achmea, given the deep integration with the parent. We believe the Dutch Central Bank, which is the common regulator for Dutch banks and insurance companies, would likely encourage Achmea to support Achmea Bank, if needed. We also believe the cost of any support would likely be manageable for the group, given Achmea Bank's moderate size compared with its parent.

Environmental, Social and Governance Considerations

Credit-Relevant ESG Derivation

<p>Achmea Bank N.V. has 5 ESG potential rating drivers</p> <ul style="list-style-type: none"> ➔ Achmea Bank N.V. has exposure to compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security) but this has very low impact on the rating. ➔ Governance is minimally relevant to the rating and is not currently a driver. 	key driver	0	issues	5	
	driver	0	issues	4	
	potential driver	5	issues	3	
	not a rating driver	4	issues	2	
		5	issues	1	

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference	E Scale	<p>How to Read This Page ESG scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant and green (1) is least relevant.</p> <p>The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular industry group. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the issuing entity's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.</p> <p>The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the entity's credit rating. The three columns to the left of the overall ESG score summarize the issuing entity's sub-component ESG scores. The box on the far left identifies some of the main ESG issues that are drivers or potential drivers of the issuing entity's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.</p>
GHG Emissions & Air Quality	1	n.a.	n.a.	5	
Energy Management	1	n.a.	n.a.	4	
Water & Wastewater Management	1	n.a.	n.a.	3	
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2	
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Business Profile (incl. Management & governance); Risk Profile; Asset Quality	1	

Social (S)

General Issues	S Score	Sector-Specific Issues	Reference	S Scale	<p>Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI) and the Sustainability Accounting Standards Board (SASB).</p> <p>Sector references in the scale definitions below refer to Sector as displayed in the Sector Details box on page 1 of the navigator.</p>
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities; SME and community development programs; financial literacy programs	Business Profile (incl. Management & governance); Risk Profile	5	
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Operating Environment; Business Profile (incl. Management & governance); Risk Profile	4	
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile (incl. Management & governance)	3	
Employee Wellbeing	1	n.a.	n.a.	2	
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices	Business Profile (incl. Management & governance); Financial Profile	1	

Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference	G Scale	<p>CREDIT-RELEVANT ESG SCALE How relevant are E, S and G issues to the overall credit rating?</p>	
Management Strategy	3	Operational implementation of strategy	Business Profile (incl. Management & governance)	5	5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal/compliance risks; business continuity; key person risk; related party transactions	Business Profile (incl. Management & governance); Earnings & Profitability; Capitalisation & Leverage	4	4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile (incl. Management & governance)	3	3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile (incl. Management & governance)	2	2	Irrelevant to the entity rating but relevant to the sector.
				1	1	Irrelevant to the entity rating and irrelevant to the sector.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.

DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: <https://www.fitchratings.com/understandingcreditratings>. In addition, the following <https://www.fitchratings.com/rating-definitions-document> details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at <https://www.fitchratings.com/site/regulatory>. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed. Fitch Ratings makes routine, commonly-accepted adjustments to reported financial data in accordance with the relevant criteria and/or industry standards to provide financial metric consistency for entities in the same sector or asset class.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.

Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

Copyright © 2025 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.