



Bank

ACHMEA BANK REPORTS A PROFIT OF 11 MILLION BEFORE TAX

Tilburg, 12 August 2022

- Achmea Bank N.V. reports a profit before tax of EUR 11 million for the first half-year 2022 (EUR 33 million for the first half-year 2021)
- The capital position remains strong at 20.1% (December 2021: 20.9%)
- The Bank issued a second EUR 0.5 billion tranche under its EUR 5 billion Soft Bullet Covered Bond Programme

The operating profit decreased from EUR 33 million in the first half-year of 2021 to EUR 11 million in the first half-year of 2022, mainly due to a lower interest margin of EUR 14 million, lower operating expenses (EUR 2 million) and a higher fair value result (EUR 3 million). The impairment charge in the first half-year of 2022 results in an addition of EUR 2 million (2021 EUR 11 million release).

Since the end of Q4 2021 the macro-economic environment has changed, resulting in high inflation, increases in interest rates and credit spreads. Lower gross margin on the current mortgage portfolio results in a lower interest margin. Underlying, we see a positive development, expressed in an increase of both the mortgage production and margins on new mortgages compared to the same period last year. The mortgage production increased with EUR 0.2 billion to EUR 0.6 billion in the first half of 2022 (EUR 0.4 billion in first half of 2021). Combined with prepayments of EUR 0.8 billion and an acquired portfolio from a.s.r. (EUR 0.2 billion), the mortgage portfolio of Achmea Bank remained stable to EUR 11.1 billion. In July 2022 Achmea Bank acquired a 2nd portfolio of Dutch residential mortgages of EUR 0.4 billion from a.s.r.

In the first half-year of 2022, the impairment charge amount to EUR 2 million (2021 EUR 11 million release). The 2021 release included incidental effects of EUR 6 million related to the implementation of a second generation IFRS 9 risk model. A deterioration of the macro-economic situation and outlook in the first half-year of 2022 results in an addition to the loan loss provision. The number of defaults remained at a low level, which reflects the inherent low credit risk profile of the mortgage portfolio of Achmea Bank.

The fair value result of EUR 8 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.

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 originally established in 2021. The Bank has a diversified funding mix, comprising retail funding as well as unsecured and secured wholesale funding. The Bank retained its sound liquidity position with liquidity ratios well above internal and external limits. In addition the Bank maintains different maturity profiles in its funding instruments.

The Common Equity Tier 1 (CET1) decreased to 20.1% (2021: 20.9%). This decrease is mainly due to higher mortgage origination and related outstanding loan commitments. In April 2022, Achmea Bank paid a EUR 42 million dividend to its shareholder Achmea B.V., the 2021 net distributable profit.

S&P confirmed the Issuer Credit Rating Outlook per 8 March 2022 of A-/stable and Fitch confirmed the issuer Default Rating of A/Stable per 23 June 2020.

Outlook

We follow closely the geopolitical situation and the effects thereof on the financial markets and on our clients and their financial (payment) capacity. Next to the situation in Ukraine we are closely monitoring other uncertain situations i.e. inflation, interest and covid. Managing uncertainty is an inherent part of our line of business. Our capital and liquidity position, together with our risk management system, are safeguards to possible second order effects.

Tilburg, 12 August 2022

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

KEY FIGURES

FOR THE PERIOD ENDED 30 JUNE

IN MILLIONS OF EUROS

	2022	2021
Interest Income	133	154
Interest expense	78	85
Interest margin	55	69
Changes in fair value of financial instruments	8	5
Interest margin and changes in fair value of financial instruments	63	74
Other income	1	1
Operating income	64	75
Impairment of financial instruments and other assets	2	-11
Operating expenses	51	53
Total expenses	53	42
Operating profit before income taxes	11	33
Income tax expense	3	8
Net profit	8	25
Ratios	30 June	31 December
	2022	2021
Return on average equity	1.0%	4.8%
Efficiency ratio (operating expenses/interest margin, fees and other income)	91.3%	72.6%
Common Equity Tier 1 Capital Ratio	20.1%	20.9%
Total Capital Ratio	20.1%	20.9%
Leverage ratio	6.2%	6.5%
Net Stable Funding Ratio	139%	133%
Liquidity Coverage Ratio	516%	297%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IN THOUSANDS OF EUROS		
	30 JUNE 2022	31 DECEMBER 2021
Assets		
Cash and balances with Central Banks	545,937	780,114
Derivative assets held for risk management	310,932	61,769
Loans and advances to banks	627,191	592,694
Loans and advances to public sector	618	629
Loans and advances to customers	10,903,475	11,363,221
Current tax assets	7,878	-
Deferred tax assets	3,072	1,879
Prepayments and other receivables	61,824	47,684
Total assets	12,460,927	12,847,990
Liabilities		
Funds entrusted	7,530,015	7,515,211
Deposits from banks	228,598	55,535
Debt securities issued	3,470,613	4,050,709
Derivative liabilities held for risk management	385,223	339,695
Current tax liabilities	-	2,043
Accruals and other liabilities	60,441	65,040
Provisions	508	500
Subordinated liabilities	1,159	1,191
Total liabilities	11,676,557	12,029,924
Share capital	18,152	18,152
Share premium	505,609	505,609
Reserves	252,705	255,036
Net profit	7,904	39,269
Total Equity	784,370	818,066
Total Equity and liabilities	12,460,927	12,847,990

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

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About Achmea

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

www.achmea.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 €11 billion and manages savings of approximately €7 billion. Achmea Bank is located in Tilburg. 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.

Achmea Bank N.V.

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