achmea

ANNUAL REPORT 2023

This is the English version of the Achmea annual report for 2023. A Dutch version of this report is also available. In the event of any discrepancies between the Dutch and English versions of this report, the Dutch version will take precedence.

Annual Report 2023 Achmea B.V.

This report sets out our company's vision, strategy and objectives, the manner in which we create value for our stakeholders and the trends and challenges we face. We also provide insight into our results and the most important developments in 2023. This annual report also contains the consolidated and company financial statements of Achmea B.V. for 2023 and other information. The supplements belonging to the Executive Board Report contain additional information, including in relation to sustainability.

The external auditor has audited the 2023 consolidated financial statements as included on pages 118 to 279 and the company financial statements as included on pages 280 to 293. The auditor's report can be found on pages 297 to 311.

The external auditor has also assessed the sustainability information as included in the Executive Board report (with the exception of Financial performance group and segments) and Supplement B. Detailed sustainability information. The assurance report with the auditor's opinion can be found on pages 312 to 314.

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ABOUT ACHMEA

This section of the annual report is an introduction to our company and our role in society. In addition to 'A word from our chair', we explain the composition of our company by listing key data and the main brands. We also outline the most important events of 2023. In the last part of this section, we set out our vision.

A WORD FROM OUR CHAIR

Achmea stands for Sustainable Living. Together

The Netherlands experienced the hottest and wettest year ever in 2023 and many places in Europe saw extreme weather situations with an impact on our customers, colleagues and society. Reducing carbon emissions to curb climate change remains essential.

If we want to prevent climate-related damage and keep it insurable, we also need to examine the options for adapting ourselves. In December, on behalf of the Dutch financial sector we presented a report to outgoing Minister Harbers of Infrastructure and Water Management containing recommendations on how we, together with the sector, government and businesses can work on climate adaptation.

We try to contribute to solutions to social issues in other areas too. As a market leader in health insurance, keeping care affordable and accessible is a top priority for us. On the basis of the Integral Care Agreement, we took important steps towards keeping care affordable and accessible in 2023 together with our healthcare partners.

In our mortgage and real estate business we worked on making homes more sustainable and building lifetime homes. The ageing population means there is an urgent need for this type of property.

The operational result, which reflects our underlying performance, increased sharply (+21%) to € 628 million. This was supported by broad growth in our portfolios. 2023 was a positive year on the financial markets, with higher equity prices and interest rates levelling off. The net result increased to € 814 million in part thanks to financial market developments.

We achieved a great deal in 2023 and were able to earn these results thanks to the trust placed in us by our customers and partners, as well as the dedication and passion of our employees. A big thank you to all of you.

Higher results widely supported by the segments

Achmea's higher operational result was widely supported by the segments. At Non-Life, the result increased by 20% to € 309 million, supported by revenue growth, further

A WORD FROM OUR CHAIR

investment and digitisation and a favourable development of interest rates and inflation expectations. Compared to 2022 there were no major storm-related claims in 2023, but we do see more weather-related claims caused by climate change and higher traffic intensity, the latter of which also resulted in increased (personal injury) claims. The operational result of Health remained stable at € 187 million. As in previous years, Achmea Pension & Life made a positive contribution to the operational result of € 208 million, partly dampened by the final agreement for unit-linked insurance policies. The result at Retirement Services increased to € 47 million, mainly due to growth and improved returns at Achmea Bank. The operational result at International climbed by € 26 million to € 6 million despite the floods in Greece and the earthquake in Turkey.

Growth in all segments

Growth is an important pillar of our strategy. We were successful in attracting new customers and increasing our revenue. At the beginning of 2024, we welcomed about 400,000 new customers at Health and in doing so strengthened our market leadership. The premium volume at Non-Life increased to € 4 billion as a result of attracting new customers and higher premiums. At International, total premium volume grew by 21% to € 1.8 billion. In anticipation of the Future Pensions Act, we have developed new third-pillar products at Retirement Services that we are launching on the market with Centraal Beheer. In addition to all its insurance customers, Centraal Beheer now serves over 450,000 customers via its retail financial services (+7%). This growth is also reflected in Achmea Bank's savings volumes and the mortgage portfolio. The latter grew by € 2.0 billion to € 14.4 billion, in part thanks to partnerships with Munt Hypotheken and a.s.r. Total Assets under Management for customers of Achmea Investment Management and Achmea Real Estate increased by € 24 billion, due to both new inflows and developments on the financial markets. At the same time, the growth is taking up additional capital. In combination with a number of one-off impacts, this resulted in a solvency ratio of 183%.

Exploring options for pension and life insurance portfolios

In the past few years, Achmea has regularly examined the options for the portfolios held by Achmea Pensioen & Levensverzekeringen, in particular those insurance policies that are no longer actively being sold (the service book). It is important that we continue to work as efficiently as possible, especially as this portfolio continues to shrink. We need to ensure that expenses keep pace with this, while at the same time continuing to serve our customers well just as we have always done. We are currently exploring various options, both internal and external. In the meantime, we will stay the course.

We are fully committed to data and digitisation

Another important pillar of our strategy is data and digitisation. Our aim is to provide outstanding digital support for customer journeys. A good example of this is our new storm bot that was used during storm Poly and supports the claims handling process, especially with reporting and registering damage claims. This allows our employees to assist the customer more quickly and with additional time for claims where personal contact is essential. This supports our ambition to improve our customer satisfaction scores.
To align ourselves with social developments and changing customer needs, at the beginning of 2023 we opened the Achmea Innovation Hub in Amsterdam. Here we work on developing future-oriented service models.

> I am proud of our results over 2023! We were able to realise these thanks to the commitment of our employees and a sound strategic focus.

In our health and pensions businesses, we are likewise explicitly working on the future together with our partners and customers. In the 11 regions where we are the largest health insurer, we have mapped out the offered healthcare together with all parties involved. This forms the basis for action plans to better match the supply of healthcare to the demand for healthcare. The Future Pensions Act entered into force on 1 July 2023. This is an important step in the reform of our current pension system. To properly support this, we selected a new IT system for pension administration in 2023. The first customer has already successfully transferred to the new system. It is now important that we can work with our customers on the transition to the new pension system on the basis of stable regulations.

Becoming more sustainable together with customers and employees

To limit the impact of climate change, it remains crucial to reduce greenhouse gas emissions, especially carbon dioxide. In addition to preventing emissions, as an insurer and as a society we need to adapt to the changing climate. We aim to prevent climate-related damage and loss as much as possible and to keep it insurable. In the fourth quarter of 2023, we published an updated version of our Climate Transition Plan. For the first time we included interim targets for our

A WORD FROM OUR CHAIR

(property & casualty) insurance portfolio in this. We are on track to achieve our climate goals: CO_2-neutral business operations in 2030, CO_2-neutral corporate investments in 2040 and a CO_2-neutral insurance portfolio in 2050.

Also in the fourth quarter we looked back on the first full year of a climate budget for our employees in the Netherlands. By now, 72% of the employees have already spent (part of) their climate budget of € 2,500 net, for example on solar panels, insulation or heat pumps. This is not only good for the environment, but also for the energy bill.

We are also making it as easy as possible for our customers to improve the sustainability of their homes. Centraal Beheer is focusing its efforts on this and, together with suppliers in the chain, offers customers solutions from A to Z for making their home or residential complex (owners associations) sustainable. Also a special green loan component in a mortgage has been available since May 2023.

In our role as an investor we invested € 55 million in two wind farms via the Achmea Investment Management (Achmea IM) Climate Infrastructure Fund. Through Achmea IM we make ourselves heard at shareholder meetings by encouraging businesses to become more sustainable. Out of all Dutch asset managers we voted most frequently in favour of sustainability resolutions last year.

The Sum of Us

We realised our results in part thanks to the many partnerships that Achmea enjoys. Rabobank is and will remain an important partner for us in strengthening our joint market position with Interpolis in the retail and business segments. The partnership between Rabobank and Achmea has been further strengthened in various areas. We are also working on achieving growth together with our partner Garanti Bank in Turkey.

Zilveren Kruis teamed up with municipalities and healthcare institutions to prevent health problems among residents in vulnerable districts of the big cities, such as Amsterdam and Leeuwarden.

Proud of CAO process and our passionate employees

To ensure long-term employability for our own employees, we offer all our colleagues in the Netherlands an unlimited, targeted training budget (All You Can Learn). Nearly half of our colleagues have already taken advantage of this.

Like last year, the scores from our Employee Engagement Survey (MBO) were high. Over 85% of employees participated in the survey and several aspects earned average scores of around 7 and 9. One score that I am particularly proud of is the 8.5 that colleagues awarded us for the trust and flexibility they experience for doing the right thing for our customers and for society.

Final settlement for unit-linked insurances

In mid-February 2024, we reached an agreement with five interest groups on a settlement for their affiliated customers with unit-linked insurance policies. We have also reserved an extra amount for poignant cases ('schrijnende gevallen'). We are pleased that this milestone has been reached. It is positive that a solution has been found for the affected customers and that a sense of clarity has been achieved for all parties. In addition, the ongoing legal proceedings will be discontinued.

Steering change in the right direction

As a society we find ourselves in the midst of challenging transitions. More and more is being done online, our population is ageing and the climate is changing. This requires active steering, including the steps we take as Achmea. We count ourselves lucky that in keeping with our cooperative roots and thanks to our engaged and stable shareholders we have the time and flexibility to steer these changes in the right direction from a long-term perspective. For our customers, employees, society and our company.

We have had a successful year in which we have fulfilled our social role, in line with our vision of 'Sustainable Living Together'. We have a strong foundation to be able to be of sustainable significance for all our stakeholders again in 2024.

Best regards,

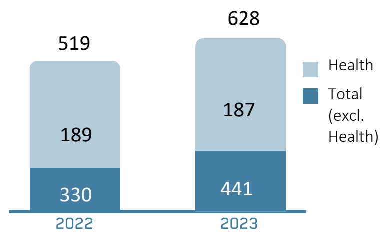
Bianca Tetteroo

Chair of the Executive Board

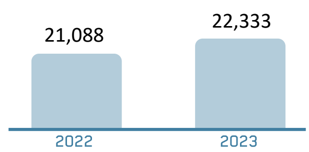
ACHMEA AT A GLANCE

Group key figures

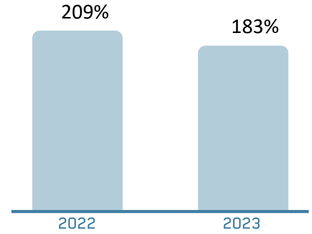
Operational result
(€ million)



Gross written premiums
(€ million)

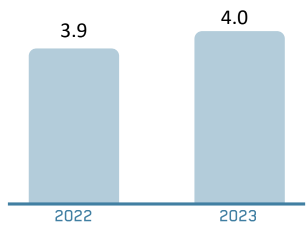


Solvency II (SII)
(%)

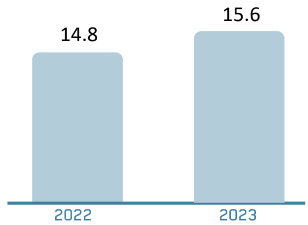


Main activities

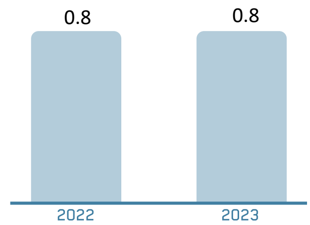
Non-Life Netherlands
Gross written premiums in €bn



Health Netherlands
Gross written premiums in €bn



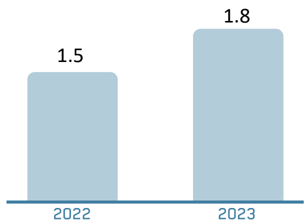
Pension & Life Netherlands
Gross written premiums in €bn



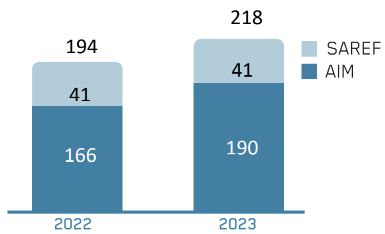
Large client base in the Netherlands and abroad[1]

#1	#1	#5	#4
Non-Life Netherlands	Health Netherlands	Pension & Life Netherlands	Achmea Investment Management

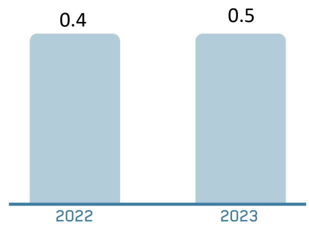
International
Gross written premiums in €bn



Retirement Services Netherland
Assets under Management in €bn



Retirement Services Netherlands
Total revenue in €bn



Credit rating and ESG rating

Credit rating 'core' insurance business

S&P Global: A

Fitch Ratings: A+

ESG rating

MSCI ESG Ratings: AA

Sustainalytics (a Morningstar company): LOW RISK, Score 14,6

Corporate ESG Performance, rated by ISS ESG: C PRIME

[1] Insurance activities by premiums for 2022 and Retirement Services by assets under management in the Netherlands of Achmea Investment Management at the end of September 2022.

ACHMEA AT A GLANCE

Achmea offers solutions in the area of healthcare, housing, mobility and income and is active with various brands. With the Achmea brand, we offer products and services through amongst others Achmea Investment Management, Achmea Real Estate, Achmea Bank and Achmea Mortgages. In addition to the Achmea brand, Interpolis, Zilveren Kruis and Centraal Beheer are our major brands. These brands are aimed at all Dutch people. There are also brands that focus on a specific target group, product range, or distribution channel.

In the Netherland

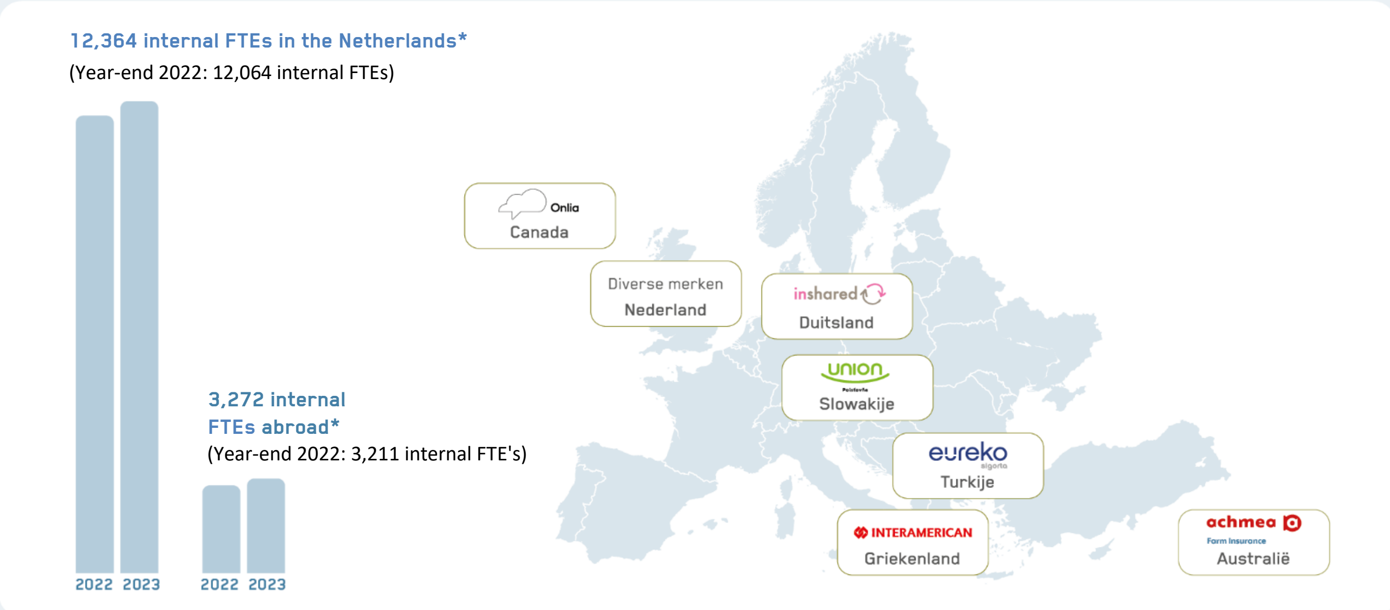
achmea | Centraal Beheer | Interpolis. | Zilveren Kruis

inshared | FBTO | avéro achmea | De Friesland | De christelijke zorgverzekeraar

International brands

achmea Form Insurance | eureko sigorta | INTERAMERICAN | Onlia | union Poisťovňa

Locations and employees



* FTE calculated on the basis of a standard working week (for CAO staff in the Netherlands and employees abroad: 34 hours, for Management and Senior Management: 40 hours).

2023 IN BRIEF

January
Interpolis campaign ‘MisNiks’ aimed at young people. This campaign contributes to raising public awareness of the risks of mobile phone use in traffic.

February
An earthquake in Turkey affects more than 50,000 people. Eureko Sigorta pro-actively contacts its customers and helps wherever possible.

Together with Victim Support Netherlands we launch an online tool for the victims of traffic accidents to take control of their personal injury claims.

Investment of € 55 million in wind farms via the Climate Infrastructure Fund launched by Achmea IM in December 2022.

March
Centraal Beheer’s commercial ‘Container’ wins the Silver Loeki 2022.

April
Achmea Bank enters into a partnership with DMFCO and will invest a total of € 1.5 billion in residential mortgages over the next 3 years via the MUNT Hypotheken label.

May
Upper House of Dutch Parliament approves new pensions act. Achmea selects a new IT platform (IG&H’s AllVida) to facilitate our customers’ transition to a new pension system.

June
Zilveren Kruis completes 11 regional inventories in line with the Integral Care Agreement, the basis for transformation plans for more affordable and accessible healthcare.

Achmea issues Tier 2 bonds of € 300 million. The transaction is well received on the capital market. The book is 4 times oversubscribed.

2023 IN BRIEF

July
Start of Know Your Customer competence centre for Achmea-wide support in Customer Due Diligence activities within the framework of the Money Laundering and Terrorist Financing Act (Wwft) and Sanctions Act.

Centraal Beheer named Data & Insights Company of 2023 at Data & Insights Awards ceremony.

August
Achmea publishes comparative figures 2022 in line with IFRS 9/17 standards and introduces amended financial indicators.

Extreme weather conditions in Southern Europe led to many requests for assistance at Eurocross.

September
Restart of the ‘Growing old happily according to Achmea’ campaign, supplemented by the Achmea housing test.

Storm Daniel causes extreme rain and floods in Greece and surrounding area, resulting in a lot of distress and damage.

October
Achmea Bank will acquire mortgages from a.s.r. for up to an annual amount of € 1 billion for a period of 3 years.

Klimaatwinkel of Centraal Beheer opened for customers.

Introduction of 3rd pillar investment product for Centraal Beheer’s retail customers with the Extra Pension Accrual product.

November
Achmea rose to a shared 3rd place in the VBDO Tax Transparency Benchmark for Dutch businesses. A few months earlier we achieved 3rd place in the VBDO Benchmark Responsible Investment by insurers.

December
Climate Transition Plan published with first interim targets and actions for a climate-neutral insurance and service portfolio in 2050.

New Collective Labour Agreement (CAO) agreed with unions.

Proposal for new dividend policy approved by general meeting.

First version of an Achmea generative AI environment implemented for which the first pilot schemes have been started.

OUR VISION

'SUSTAINABLE LIVING. TOGETHER' THE ACHMEA WAY

Achmea was founded more than 210 years ago when a group of farmers banded together to make themselves more resilient in the event of disaster striking. Even today, we are still from and for our customers. We are evolving from an insurer into a broad financial service provider. This is our way of responding to today's needs within society.

In keeping with our cooperative identity we strive to create a society in which everyone can participate. We believe that this will ultimately yield greater happiness for the individual and for all of us. Sadly, this so often turns out not to be the case. Too many groups find themselves excluded for all kinds of reasons. We believe change is possible and work to achieve this.

Although we literally live together in our densely-populated country, our sense of community seems to be dwindling. There is growing polarisation in the once tolerant Netherlands. Society is becoming increasingly divisive and what we have in common is increasingly being overlooked. This is leading to greater conflict and less social well-being.

We want to bring people closer together again. And we want everyone to be able to participate in our society. This is more enjoyable, healthier and safer. This is Sustainable Living. Together. The Achmea way. And this role is an excellent match for us. As an insurer we have long played a role in pooling shared interests. At our company, people and businesses with totally different backgrounds can unite to share their risks collectively.

SOCIAL ISSUES IN FOUR DOMAINS

Our ambition is to create sustainable value for our customers, our employees, our company and society. We do this based on our mission to solve major social issues together. In doing so we focus on four domains:

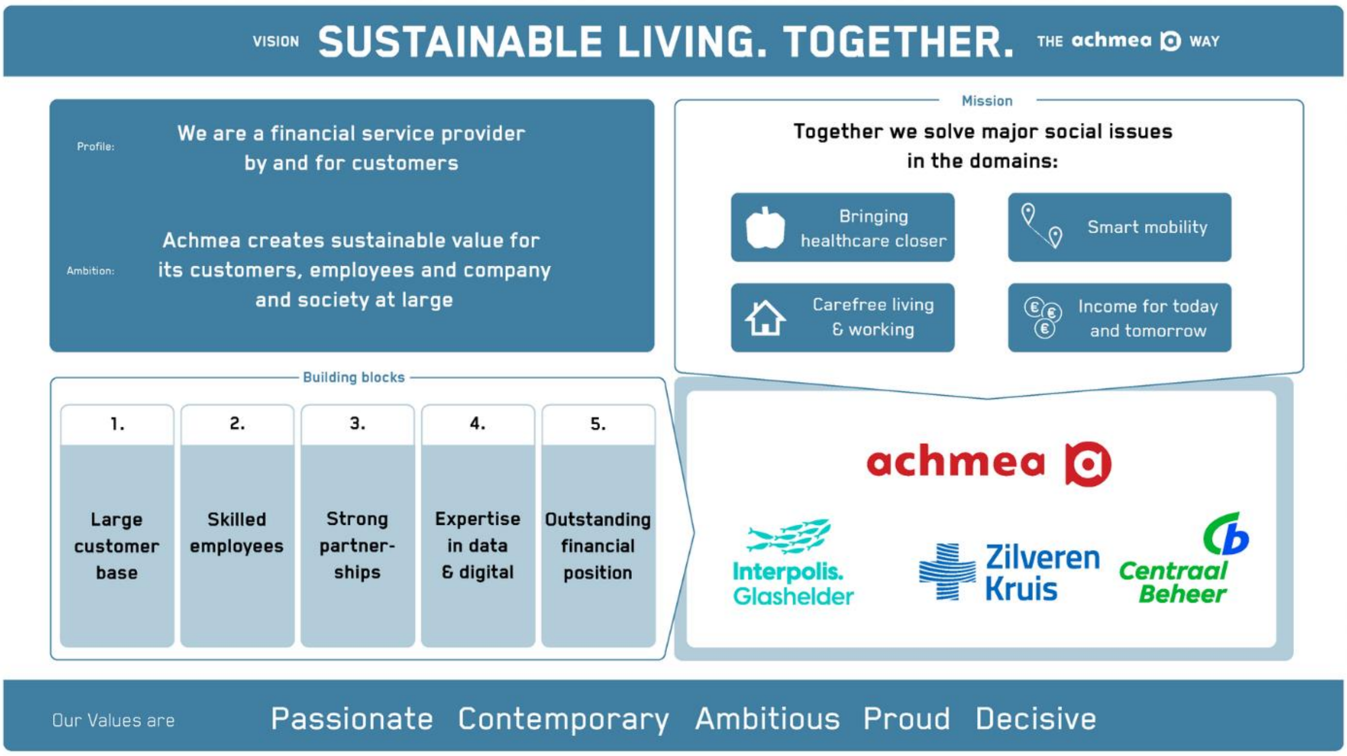
- Bringing healthcare closer
- Smart mobility
- Carefree living & working
- Income for today and tomorrow

These domains are aligned with our activities and competencies. Within these domains we periodically select a number of tangible social issues for closer scrutiny. Here, we target issues that affect large numbers of people and have a significant impact.

We adopt a visible position on the selected social issues from our four strong brands Interpolis, Zilveren Kruis, Centraal Beheer and Achmea. Of course we cannot solve every single issue in one go and certainly not alone. We enter into dialogue with our customers and partners and challenge ourselves to come up with solutions.

SUSTAINABILITY

Sustainability is an integral component of our vision and strategy. We embed environmental and social aspects in our activities and processes. Climate change is generating major social, economic and financial challenges. The effects of climate change and extreme weather conditions are visible all around the world and occurring with increasing frequency.



OUR VISION

2023 will go down in history as the hottest year since meteorological records began 174 years ago. Storm Daniel wreaked havoc around the Mediterranean. The images of the dike bursting in Libya will still be fresh in the minds of many of us, but this storm also caused severe damage for our customers in Greece.

Sustainable value creation means, among other things, that we want to contribute to achieving the global climate goals. It is essential to restrict the increase in global temperatures to 1.5 - 2°C compared to 1990 in order to avoid the risks potentially becoming uncontrollable. As a broad financial service provider, we contribute towards resilience to the risks posed by climate change and continue to support the energy transition.

Sustainable Living. Together also means working on diversity and inclusion. Everyone is entitled to equal opportunities and to equal treatment. As an employer, we want to be a reflection of society and aim to create an inclusive culture in which we embrace diversity.

SUSTAINABLE DEVELOPMENT GOALS

Through our efforts on social issues and via our sustainability programme, we contribute to achieving the United Nation’s Sustainable Development Goals (SDGs). These 17 SDGs form the 2030 Agenda for Sustainable Development. We believe it is important to participate in this agenda. We place the emphasis on 3 SDGs that are closely related to the four domains we focus on, are close to the core of our company and can encourage innovation and growth. These are SDG 3 (Good health and well-being), SDG 11 (Sustainable cities and communities) and SDG 13 (Climate action). We do not directly target the (sub-)goals contained in the SDGs but by solving social issues in the four domains and via our sustainability programme, we contribute to the SDGs. For example, by formulating targets relating to the Bringing healthcare closer domain we also (indirectly) target SDG 3.8; this goal relates to ensuring universal health insurance and access to healthcare.

OUR BUILDING BLOCKS

Our ambition is to create sustainable value and solve major social issues. We work on accomplishing our mission on the basis of five building blocks (see figure on previous page).

We have a large client base of customers who generally rate us highly. We serve these customers via our brands. We have passionate employees who work hard on behalf of our customers. It is our belief that this benefits the service to our customers. You can achieve more together than you can alone; this is why we like to work with partners and build strong partnerships. Expertise in data & digital is essential to be able to continue serving customers properly in the future as well. We also use this expertise to digitally work in a safe and secure manner. An outstanding financial position is necessary to being able to achieve the long-term ambitions of Sustainable Living. Together. We want to have the financial capacity to be able to invest in growth and innovation and to solve social issues.

OUR ACHMEA VALUES

The Sustainable Living. Together vision contains a number of values that form the basis for our actions: Passionate, Contemporary, Ambitious, Proud and Decisive. These values demonstrate how we work as Achmea, how we treat each other, what we want to be and what we challenge each other on.

We are moving from working together to restrict risk to living together to accomplish tangible results for customers and society. By being passionate and contemporary but also decisive. By displaying ambition and being proud of our company. We stand for Sustainable Living. Together. This is what we are, this is Achmea.

OUR ENVIRONMENT

This part of the annual report describes the environment in which we operate, the most important developments and trends, as well as the main themes for both our stakeholders and Achmea.

TRENDS AND DEVELOPMENTS

Over the past year we have performed an analysis of our environment and produced our own impression of the changes going on around us on the basis of eight major developments. These developments have an impact on the economy as well as on our customers and Achmea. In this chapter we describe how we deal with these.

EIGHT MAJOR DEVELOPMENTS

1 **It's a VUCA (volatility, uncertainty, complexity and ambiguity) world!** We live in turbulent times that bring with them complex problems and a great deal of uncertainty. The world is becoming less predictable and it sometimes seems as if we move from one crisis to the next. There are no easy solutions to many of the problems facing us as a society.

2 **House of cards** Many people in the Netherlands think the government is powerless to solve problems. Yet at the same time they increasingly look to the government for solutions. On the one hand there is little trust in the government, but on the other the government seems to play an ever bigger role. Not just during the coronavirus pandemic and when compensating higher energy bills, but also for example in the call for more controls on the construction of affordable housing.

3 **Slowbalisation** Globalisation and international cooperation were a given for many years. The war in Ukraine and conflict in Israel and the Palestinian territories seem to be aggravating conflicts of interest and driving geoeconomic fragmentation.

4 **Climate is hot!** Although there is a greater focus on sustainability and ESG policy, climate change is causing a growing amount of damage and we are in danger of losing sight of the 1.5°C target for 2050. According to the World Economic Forum, the biggest risks to society in the coming 10 years are environmental, ranging from extreme weather to the collapse of ecosystems and loss of biodiversity.

5 **Together alone** Today's technology enables us to share an increasing amount with others online while it is steadily becoming embedded in society. We gain in efficiency, but the growing shift to the digital world raises the question of whether we are not also losing something thanks to the reduced human contact. Many young people felt miserable during the coronavirus pandemic and there are worries about the digital mental resilience of children.

6 **The world ~~goes~~ is digital** Technology, including Generative Artificial Intelligence (Gen AI), is shifting our boundaries and making more and more possible. This raises the question of whether we in fact want everything that is possible and how we as a society can safeguard public values, all the more so as these can differ between countries and cultures.

7 **Fifty shades of grey** The composition of the population is changing. The Netherlands has a growing group of senior citizens as advances in healthcare mean that people are living longer and inflow in the lower part of the population pyramid is declining because we are having fewer children. Europe is witnessing increasing (labour) migration and the arrival of asylum seekers in search of refuge. This affects all parts of our society: from the job market to demand for healthcare, from the housing market to the pension system.

8 **Inequality and division** There are concerns about division and inequality in the Netherlands. Old divisions seem to be hardening and new ones arising. The question is whether what binds us together is stronger than what is driving us apart.

IMPACT ON THE ECONOMY

The above trends and developments have an enormous impact on society and the economy. Households and businesses need to become more sustainable and adapt to climate change. The job market continues to be tight and this will only escalate under pressure from the ageing population. The outcome of the political debate on nitrogen emissions could have a huge impact on the prospects for farmers in the Netherlands and on the opportunities in the short term for building more homes and investing in more sustainable power supplies. Many businesses are exploring the opportunities yielded by new technologies, such as Generative AI and how they can use this in a controlled manner on behalf of their customers.

The financial markets have experienced turbulence in recent years. Inflation and policy interest rates shot up quickly in 2022. Volatility and uncertainty are high and spreads have widened. Inflation forecasts are uncertain: it is possible that the ageing population, drive for greater sustainability, geopolitical fragmentation and tightness on the Dutch housing market will exert upward pressure on inflation for many years to come.

IMPACT ON OUR CUSTOMERS AND ON ACHMEA

As an insurer of and financial service provider for customers, we stand at the very heart of society. The described trends and developments have an impact on our customers and the risks to which they are exposed, on our employees and our business operations, and of course on our financial results.

The risks our customers face are changing; cybersecurity and risks relating to climate change are becoming more relevant. Customer needs are changing as a result of this and we can respond to these by offering them new propositions. As an example, we help our customers to become more sustainable. In light of inflation and higher prices we want to identify potential problems for customers at an early stage and solve them wherever possible.

TRENDS AND DEVELOPMENTS

Technological changes and the use of data are occurring at an ever faster rate. Customer expectations are growing and prevention and services are becoming increasingly important in the sector. We continue to invest in further digitisation and customer service. Working in partnerships creates opportunities to meet new demands from customers and challenges in society. But new technology such as Generative AI also requires us to be alert to ethical dilemmas and using technology only when it can be done in a safe and controlled way.

It is not yet clear which policies the new Dutch government yet to be formed will pursue and there is debate on the role of the government and market mechanisms. This not only creates uncertainty for our customers but also for us and the markets in which we operate. From healthcare systems to discussions on pensions and the market for income protection insurance.

The increase in laws and regulations is pushing up costs. The implementation of legislation on sustainability, privacy, new accounting principles and, for instance, Customer Due Diligence has forced us to recruit extra employees and incur additional expenses.

On top of this we are seeing expenses rise due to inflation and the tight job market. Suppliers are passing on higher costs but we also want to compensate our own employees for the higher rate of inflation.

The volatility on the financial markets is reflected in our financial results too. Financial markets have an impact on our investment results, on the valuations of our investment property and on the interest margins we can realise. And sometimes they can prompt us to make different decisions, such as higher own retention and less reinsurance because the price of this has climbed sharply in recent years, in part due to substantial (climate-related) claims.

IN DIALOGUE WITH STAKEHOLDERS AND MATERIAL TOPICS

We maintain contacts with many different stakeholders: our customers, employees, shareholders, capital providers, social organisations, interest groups and supervisory authorities. We do this in many different ways and at various levels in the organisation.

There are direct contacts between our customers and employees via call centres. In addition, there are contacts via customer councils, customer panels, policyholder councils and we organise roundtables and hold online surveys.

We talk to our business relations during bilateral business meetings. Moreover, the board members of large corporations in the Netherlands have met for 10 years under the 'De Kamer' initiative. In small groups they discuss social themes, such as the changing job market, growing inequality and the challenges in relation to the climate and sustainability. Alongside these roundtable meetings, Achmea Corporate Relations organises an annual 'Grote Kamer' attended by a group of about 80 board members. This year De Kamer published the third and final book in the Civilisation in Balance series. Board members were interviewed about the tipping points in their lives for this book.

Achmea's options for action on social themes were also discussed with Vereniging Achmea (see box text) in theme-based working groups in 2023. Members of Vereniging Achmea and Achmea employees work together in these groups. There were theme-based working groups on Digital healthcare, Lifetime homes and Road safety in 2022. The recommendations of these working groups were presented to the Council of Members of Vereniging Achmea in mid-2023. The approach and recommendations are aligned with Achmea's strategy of working together with its partners to solve social issues. In September 2023 theme-based working groups were installed on Claims and Sustainability, New pension system and Entitlement to care.

Employees are continually consulted via work and team meetings and regular contact with managers. On top of this, there are regular meetings with Achmea's Central Works Council and the works councils for the individual segments. Discussions on terms and conditions of employment take place during meetings with trade unions. An annual Employee Engagement Survey is also held. For more information, see the section Results - Other results own operations, social topics.

Contacts with our shareholders, including Vereniging Achmea and Rabobank, are embedded in our formal governance process. For more information, see the section Governance, Corporate governance.

Social themes are also discussed with supervisory authorities, industry organisations and external experts. In 2023 these discussions included topics such as new pension legislation and the affordability of healthcare.

We also talk to NGOs about sustainability topics. The principal aim is to exchange knowledge and insights. In 2023, among other groups we talked to Dutch peace organisation PAX about our weapons policy (see dilemma in the section Results - Other results investments and financing, social topics) and to World Animal Protection on animal welfare. At the start of 2024 we met with the World Wildlife Fund to discuss nature and biodiversity. Within the International Corporate Social Responsibility (IMVO) covenant for the insurance sector we collaborated in a broad sense with the relevant NGOs (PAX, Oxfam, Save the Children, World Animal Protection, Amnesty International and Natuur & Milieu) and representatives of government ministries on implementing OECD guidelines.

Spotlight: Vereniging Achmea strengthens the cooperative foundation of Achmea

Vereniging Achmea is the association for all our customers and our largest shareholder. All of Achmea's customers are also customer members of Vereniging Achmea. Vereniging Achmea is a not-for-profit association and has the following goals: 1) to represent the shared interests of its customer members and 2) to ensure continuity of Achmea Group.

Achmea operates at the heart of society and conducts dialogue on social themes. Input from Vereniging Achmea and its members is of huge added value here. The customer members are represented here by the Vereniging Achmea Council of Members. The Council of Members mirrors Achmea's overall client base as much as possible. The Board of Vereniging Achmea handles the matters that concern the Vereniging's policies and is appointed by the Council of Members. The Board requires the approval of the Council of Members for a number of important decisions. Customers therefore have a genuine say in Achmea's business operations via the Council of Members. This gives Achmea customers a unique position compared to the customers of many other companies. Our partnership with Vereniging Achmea therefore helps to determine our cooperative identity as an insurer. Cooperative values, such as solidarity, cooperation, having a say and the influence of customer members, continue to apply in full.

IN DIALOGUE WITH STAKEHOLDERS AND MATERIAL TOPICS

WHAT DO OUR STAKEHOLDERS BELIEVE TO BE IMPORTANT?

Process for defining material topics

Our stakeholder contacts tell us which topics they believe to be most important to Achmea. To complement our bi-annual trend report and other surveys, we held a desk review of the topics that are viewed as socially relevant and the impact that Achmea can have on them. These outcomes along with the topics identified in previous years and topics from the Corporate Sustainability Reporting Directive (CSRD) generated a longlist containing over 100 topics.
To define the material topics, we kicked off with a continuing education session for members of Achmea's Directors' Council. As the CSRD is about strategy, policy and key performance indicators (KPIs), we thought it important to include this group of leaders. Next, we held a variety of workshops with internal experts on the different types of business within Achmea, i.e. non-life, health, banking, investments, HR and internal operations (facility management and procurement).

Via these sessions we then reduced the longlist to a shortlist of the 20 most material topics. These are indicatively shown in the figure below. The criteria we used here are: the topic's potential positive or negative impact on Achmea (financial materiality) and Achmea's potential positive or negative impact on the topic (impact materiality). This may be a risk or an opportunity. All the potential material topics are ranked according to scale, scope, recoverability and probability. When estimating the materiality, we use the risk prior to applying the controls that Achmea can implement to reduce the impact. This means that we work on the basis of what is known as a 'gross' approach. Next, a fixed threshold is used to define those topics that are material to Achmea. Here we applied a forward-looking period of 5 to 10 years. Independent consultants assisted us in this process.

Dialogue with external stakeholders

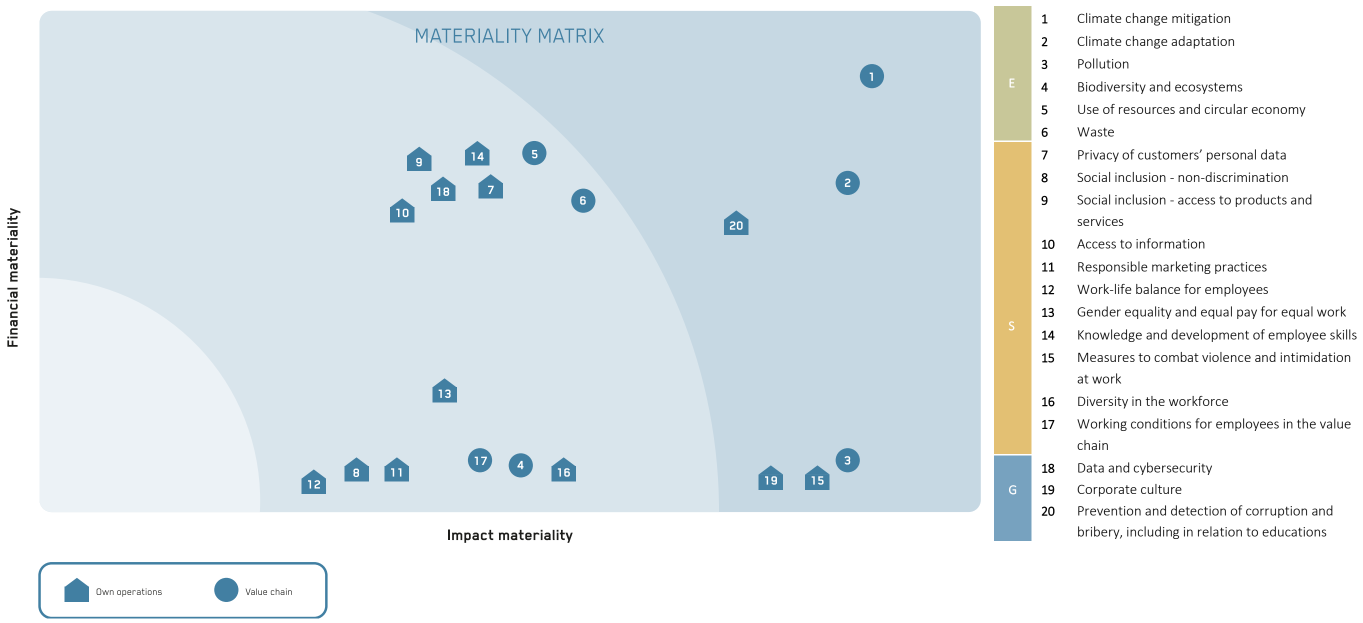
In contrast to an online survey in 2022, this year we held a dialogue session with a small group of stakeholders. This was attended by customers, investors, peers, experts, supervisory authorities and NGOs. We believe that these stakeholders accurately represent the most important of Achmea's stakeholders.
The shortlist of 20 material topics we identified formed the starting point for the dialogue. A range of questions was used to exchange knowledge and share insights. In general, our stakeholders agreed with the identified topics. With respect to the impact via our investments, it was pointed out that other topics under working conditions for employees in the value chain were also deemed important, such as human rights and labour standards.

Validation of outcomes

The process and outcomes of the materiality analysis were discussed in our Achmea Sustainable Together Programme Board. These were then adopted by the Executive Board and discussed with the Supervisory Board. The compiled matrix was approved by the Executive Board as part of the approval process for the annual report.

Explanation of the materiality matrix

The materiality matrix lists the topics that are material to Achmea; the matrix provides insight into the extent to which the topic is material and on what materiality grounds (financial or impact). Comparison of the matrix to those of previous years is difficult. New topics have been added (Pollution) and some topics are no longer included in the matrix (Health). This is because we have included the



IN DIALOGUE WITH STAKEHOLDERS AND MATERIAL TOPICS

European Sustainability Reporting Standards (ESRS) when defining the material topics this year. This does not mean that this topic is no longer important to us though. The section Results explains progress on the domains during 2023, including Bringing healthcare closer.

This year we have also changed the definitions of the axes and aligned them with the CSRD principle of double materiality. On the Y axis the matrix shows the impact of the topic on Achmea (financial materiality). The X axis depicts the impact that Achmea can potentially have on the topic (impact materiality). The icons indicate whether the topics come within our own operations (house) or whether they also occur in our upstream and downstream value chains (dot). We may have a positive and/or negative impact on a topic and also have the opportunity to influence this impact, as in the case of climate change and biodiversity. Furthermore, although we based compilation of the matrix on the assessment of the (financial) risk, several topics yield opportunities as well. More information on this can be found in the section Results and Supplement D.

Interpretation of the results

It is noticeable that the financial materiality of the topics is relatively low. The impact materiality that Achmea has on these topics is often thought to be higher. This could derive from the fact that several of these topics are in our downstream value chain and do not have a direct negative (or positive) impact on our financial situation. The fact that Achmea is a diverse/broad financial service provider also plays a role here. Furthermore, it may relate to the period of 5-10 years in this assessment and could well change in coming years because the measurability of specific topics will improve in future (for example the impact of biodiversity).

Climate change has long been high on our agenda. The topics of biodiversity, pollution and use of resources and the circular economy are evolving enormously, but in our role as an investor and (health) insurer we do not always have access to sound data to be able to manage these. We will continue to work on this in coming years together with other financial institutions. This also applies to a few topics that come under working conditions for employees in the value chain. The topics related to our own employees, our customers and our operations are often part of our regular operations and therefore incorporated into our strategy and policies. In those cases in which not all the indicators have been defined yet, we will continue to work on this.

As noted by our stakeholders, topics such as health and financial well-being are no longer explicitly included in the matrix. This does not mean that we do not consider them to be important. On the contrary, they form the core of our Sustainable Living. Together vision and in turn an integral part of our strategy.

Reporting

Under the CSRD we are obliged to report on our material topics over the 2024 financial year. The topics in our value chain must be included in the 2025 annual report. Throughout 2023 and 2024 we will therefore make the transition to integrated reporting (GRI to sustainability reporting under the CSRD) in which we consider the extent to which relevant GRI aspects that are not part of the CSRD will still be maintained. This will be further worked out and shaped with our segments in the coming period.

The way we have incorporated these material topics into our strategy is outlined in the section entitled Our strategy and the results in the section Results. The chapter Abridged connectivity table and Supplement D also describe the material topics, the correlation between the material topics and our vision and strategy, how we monitor progress on these topics and the section of this annual report that includes more information on them.

STRATEGY AND OBJECTIVES

In this section of the annual report, we take a closer look at our strategy and corresponding objectives and ambitions. In addition, we explain how we create value for individual stakeholders. Finally, the connectivity table shows how the material topics are incorporated into our strategy and which section of the annual report contains information on these. Supplement D. includes a more detailed version of this table.

OUR STRATEGY

THE SUM OF US

The Sum of Us is the strategy through which we aim to put our Sustainable Living. Together vision into practice. One component of our strategy involves investing in technology, customer service and services, in proposition development and innovations, both in the core business and in our key growth areas. This enables us to continue serving our customers to the best of our ability and to create sustainable value for our stakeholders. We do this based on five building blocks that we strengthened further in 2023. The Results section contains more information on the progress on our building blocks in 2023.

Large client base

Achmea occupies a robust position in the market. Our brands and broad product portfolio enable us to reach and retain an extremely large group of customers. We do this via a broad mix of distribution channels. We are proud that our customers generally rate our services highly, as expressed in the NPS scores for our brands. It is precisely because of our size that we are able to achieve synergy and efficiency and create capacity to invest in the ongoing development of products and services. This is how we stay in tune with our customers' needs, and it enables us to attract more customers who deliberately opt for one or more of our brands, buy more products from us and are even more satisfied with our services. In 2023 we realised premium growth in Health and Non-Life, while assets under management also increased.

Skilled employees

The commitment and professionalism of all our employees is crucial to accomplishing our strategy. We put our employer commitment into practice and aim to remain an attractive employer through our modern terms and conditions of employment. The new Collective Labour Agreement that enters into effect in 2024 provides not only for higher wages to compensate for inflation but also more generous employee benefits, an extension to the personal climate budget aimed at new employees and more times during the year at which employees can opt to work more or fewer hours.

Recruiting and retaining employees is of crucial importance in a tight job market, especially given the new balance involving more hybrid working and working from home than before. In 2023, for example, we revised our recruitment strategy and conducted campaigns to increase awareness of Achmea among specific target groups. Internationally, we work together with other insurers on training, for instance via the Eurapco network and via the talent programme and data academy of our international operating companies.

Strong partnerships

We work together with partners in order to assist customers better and boost our distribution capacity. Rabobank is and will remain an important partner for us in strengthening our joint market position with Interpolis in the retail and business segments. We also work with partners to provide solutions to social issues. Under the Integral Care Agreement, for example, Zilveren Kruis collaborates with local parties in the regions with the aim of keeping healthcare accessible and affordable. At international level, we also operate in partnerships, such as those with Eureko Sigorta and Garanti Bank in Turkey. Together with pension funds we are working to implement the Pension Agreement.

Expertise in data & digital

Use of data and technology is crucial to serving our customers properly, now and in the future. We are therefore expanding our expertise on data and digitisation by applying a single working method throughout our entire organisation.

Our technology platform based on the Microsoft Azure cloud forms the basis for managing and sharing information. We are digitising our processing, for example by increasing the amount of Straight Through Processing (STP) used for processing retail customer insurance claims. We are also developing knowledge and expertise for using data, such as in personalising customer service for Centraal Beheer customers. The basic principle is that we handle the data entrusted to us carefully and transparently. We aim to use data in an ethically-sound manner, so that our customers can conduct their business safely and securely. This is one of the reasons why Achmea has an Ethics Committee for discussing ethical issues.

Outstanding financial position

We need a sound financial basis in order to expand our core business, finance our growth and accomplish our social ambitions. Our customers, employees, shareholders, regulators and rating agencies expect us to occupy a robust financial position, so that they can be certain of our ability to meet our obligations when claims are submitted. We therefore seek to further improve our financial results, generate more capital and - backed up by balance sheet optimisation - free up a larger amount of capital.

MANAGEMENT AGENDA

The management agenda we use as a basis for management in alignment with our strategy comprises four components. We are optimising the organisation on the basis of 'one' Achmea, expanding our core business, investing in growth and taking advantage of strategic options.

Optimisation based on 'one' Achmea

As a group we have a shared mission and common ambitions. Joining forces across brands and operating companies enables us to achieve synergies and economies of scale. We have launched a number of group-wide initiatives aimed at working together in areas such as IT, digitisation, commercial excellence, sourcing, asset management and sustainability.

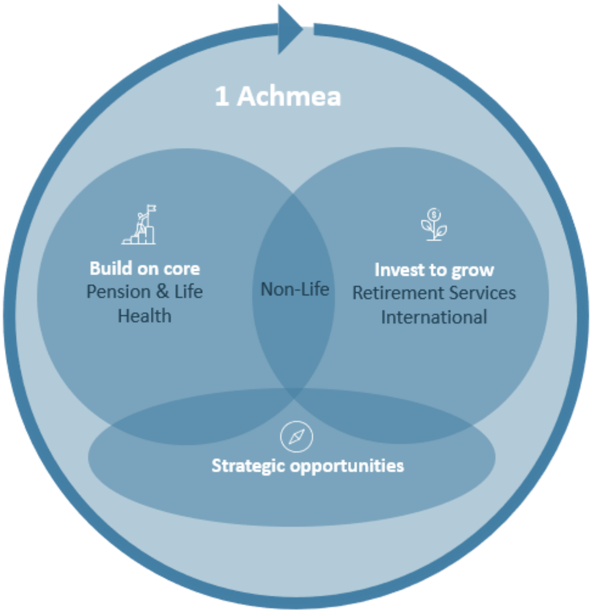
OUR STRATEGY

The cost savings we can make by doing this give us the financial capacity to invest in growth and in our social ambitions (Save to invest to grow). We work together on sustainability as 'one' Achmea. We are committed to achieving CO_2-neutral own operations in 2030, CO_2-neutral investments in businesses (equities and corporate bonds) in 2040 and a CO_2-neutral insurance portfolio no later than 2050. The strategy for realising these commitments is set out in our Climate Transition Plan (see here for more information).

We are boosting our commercial strengths for the future by organising our distribution, innovation and brand management differently within a new organisational unit called Distribution, Innovation & Brand. This unit will provide Achmea-wide strategic and policy-based support to the Achmea brands. In addition, we are working together on improving our pricing to make it easier to adjust prices more quickly and with greater nuance in response to changing circumstances.

We are carrying out a multi-year plan to migrate our applications to the Microsoft Azure cloud no later than 2025. In keeping with this plan we took steps to migrate systems to the cloud as well as phase out legacy IT systems in 2023. We are working on improving our data maturity. The options for digital customer contacts are being expanded. For example, storm-related claims are submitted via the 'storm bot' and the MobielSchadeMelden (mobile claim) app of the Dutch Association of Insurers (Verbond van Verzekeraars) has been incorporated into our digital process for claims handling. Within the context of Customer Due Diligence (CDD), we have set up a Know Your Customer competence centre and are adjusting IT systems accordingly.

On the basis of our sourcing policy we make targeted use of outsourcing in our business operations. For IT activities, in



2023 we collaborated with 8 IT partners in 11 different countries. This gives us access to IT capacity and expertise.

Performance management was adjusted in 2023 in order to guide these group-wide optimisation drives.

Expanding the core business

Part of our strategy also involves further expanding our core business. In doing so, from the Pension & Life business we aim to accomplish growth in the open portfolio, including via the Centraal Beheer Financial Services platform, and are releasing capital from the run-off of the service book. We have made good progress on migrating the administration of life insurance policies to a new system. We will continue to digitise our customer service.

Our ambition is to assist 5 million policyholders with paying and arranging their healthcare and improving their health. From a broad perspective on health we encourage and help our customers to live and work more healthily. As market leader, Zilveren Kruis is working to achieve the necessary transformation of the healthcare landscape and we stimulate the provision of accessible digital and home-based healthcare.

At Non-Life the strategy is to expand our position and accomplish growth in both Property & Casualty (retail, SME and Agro) and Income Protection insurance. Via Centraal Beheer and FBTO in the direct market, from Interpolis together with Rabobank and via Avéro Achmea in close cooperation with independent brokers. We aim to combine growth with rigorous claims management and are working to create digital, data-driven customer journeys and processing chains. About half the insurance claims made by our retail customers are now submitted online.

Investing in growth

Our strategy includes investing in growth, especially at Retirement Services and in our International activities.

Via Retirement Services, Achmea helps customers to make prudent financial decisions by offering insight, advice and smart solutions. We serve consumers, employers and institutional clients. Our goal is to ensure our customers can enjoy a carefree day, today and tomorrow.

We have clustered our activities to intensify collaboration between the different units, increase their power of execution and enhance commercial strengths. The four clusters are Mortgages and Financial Services, Pensions, Institutional Investment and Real Estate.

At Mortgages and Financial Services we take advantage of our market positions in mortgages by increasing our investments for our own balance sheet as well as expanding to external investors. The focus here is on Centraal Beheer as a mortgage brand with a single streamlined process for handling mortgage applications via the Quion system. In the long term we are aiming for one million Centraal Beheer customers using financial services such as term life insurance, individual pensions and annuities, savings, investments or a mortgage.

From the Pensions cluster we want to offer employees and employers a comprehensive range of pension products. We administer pensions on behalf of pension funds and offer customers solutions under the Centraal Beheer APF and Centraal Beheer PPI. In 2023, we selected the IG&H AllVida pension administration platform. We guide our customers in the transition to the Future Pensions Act and ensure that all members are provided with detailed information.

In the Institutional Investment cluster we are combining sales and marketing activities for the institutional market in order to further optimise our commercial strengths. On behalf of and together with institutional investors, Achmea Investment Management's ambition is to create more capital for later in a better world. It does this through robust portfolio advice, best-in-class investment solutions, impact investing and sophisticated risk management. Achmea Investment Management has built up a very good competitive position in the past few years. We aim to improve this position further with an upgraded and scalable IT platform. On top of this, we are developing new investment propositions for illiquid and alternative investments and sustainability.

Since 1 June 2023, our real estate company has operated under the new (trading) name of Achmea Real Estate. This gives the real estate business an independent positioning with a focus on commercial strengths and growth in assets under management while also considering sustainability. An upgrade to the IT platform was initiated in 2023 with a view to realising future growth.

We are also investing in growth in other countries. Achmea's International activities focus on Non-Life and Health insurance products, distributed via the online (direct) and banking channels. Achmea pursues an international growth strategy by exporting knowledge and digital expertise gained in the Netherlands. In doing so, we focus on growth in existing and new market segments. We are expanding our International activities, concentrating on organic growth in the direct distribution channels, acquisitions and rolling out the centrally-managed InShared model. Achmea has the ambition of accomplishing geographic growth. As of year-end 2023, InShared had nearly 32,000 customers in Germany.

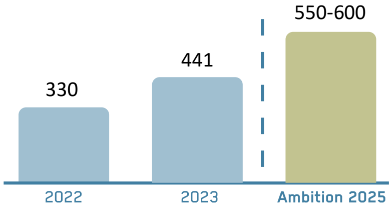
Taking advantage of strategic options

We take advantage of strategic options when these help us to bring our vision closer and achieve our ambitions more quickly, both in the Netherlands and abroad. Good examples of this are the acquisition by InShared of the HEMA portfolio with over 100,000 customers and the collaboration with Munt on the mortgage market, whereby Achmea Bank aims to invest a total of € 1.5 billion in mortgages under the Munt label over the next three years.

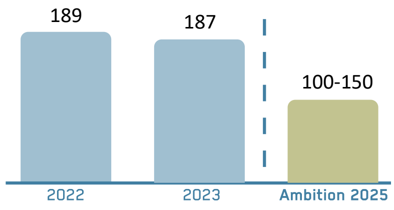
OUR OBJECTIVES

Financial indicators

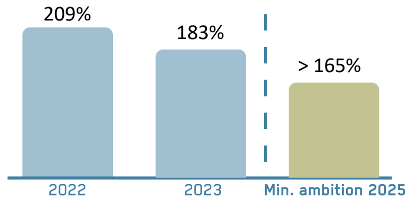
Operational result excl. Health
(€ million)



Operational result Health
(€ million)

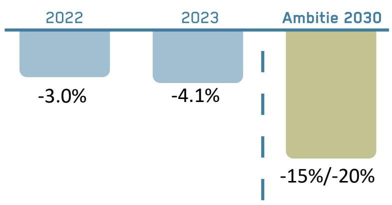


Solvency II (SII)[1]
(%)

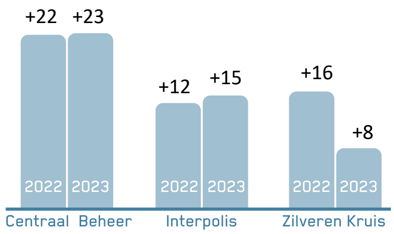


Non-financial indicators

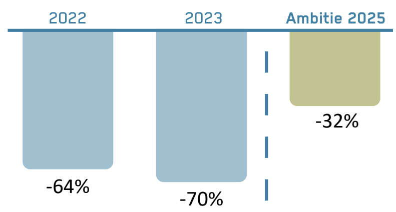
Average insurance-related CO_2 emissions per car[2]



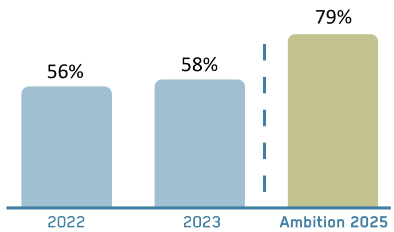
Relational NPS Retail market[3]
Ambition 2025 > market average



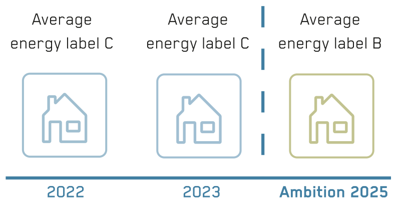
Financed CO_2 emissions investments in companies compared to the intended reduction path[4]



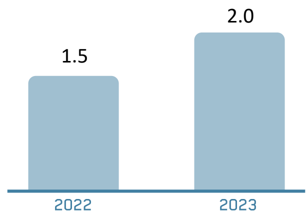
Percentage energy label A or better real estate portfolio[5]



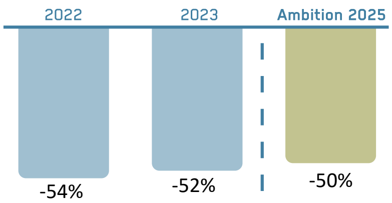
Average energy label of mortgage portfolio



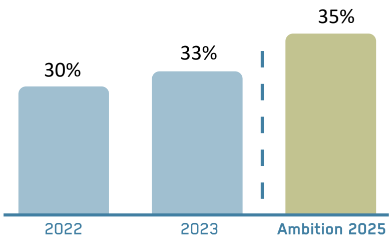
Investments in green and social government and corporate bonds
(€ million)



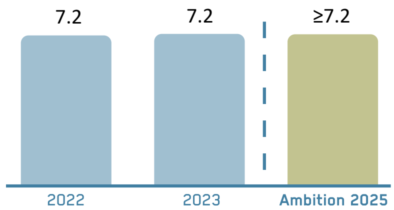
Development CO_2 emissions own operations[6]



Percentage of women in top management[7]



Various MBO scores: Vitality



1. Solvency ratio determined based on a Partial Internal Model after deduction of (intended) payment of dividend and coupons on hybrid capital.
2. Percentage reduction compared to average insurance-related CO_2 emissions per car in 2021 of the Dutch retail car insurance portfolio (Brands: Centraal Beheer, FBTO and Interpolis).
3. For Centraal Beheer and Interpolis, average NPS over four quarters based on customer satisfaction survey conducted by MetrixLab on behalf of Achmea. For Zilveren Kruis based on research by MarketResponse, Health Insurance Customer Monitor, as at April 2023 and 2022.
4. Percentage reduction of financed CO_2 emissions (scope 1 and 2) compared to the market benchmark at year-end 2020 determined on the basis of the EVIC method. The percentage is based on the CO_2 performance of the individual shares and corporate bond own risk mandates that Achmea and not on the economic characteristics of the instrument as used in measuring the financed CO_2 emissions in Supplement B. The information was obtained from our asset manager.
5. Percentage based on the book value of properties.
6. CO_2 emissions from buildings, mobility, waste, paper, data centres and cloud services in the Netherlands compared to 2019.
7. Top management defined as the Board of Directors, Executive Board and Senior Management.

OUR VALUE CREATION MODEL

Our value creation model depicts the relationship between the input from stakeholders, our own operations, the output and impact we achieve for stakeholders and society. It also shows how we create value in the long term.

INPUT

Customers tell us what they need, deposit premiums and capital and pay for our services.

- Gross written premiums: € 22,333 million
- Assets under Management by Achmea Investment Management: € 190 billion
- Assets under Management by Syntrus Achmea: € 41 billion

Employees put their talents to use on behalf of our customers and our company.

- Number of internal employees: 15,508
- Number of internal FTEs: 15,636

Partners use their competencies and work with us on providing healthcare, damage repair, distribution, propositions and impact on social domains.

Capital providers including Vereniging Achmea, Rabobank and other parties, provide the funds and financing to invest in our business model.

- Total equity: € 8,980 million
- Loans and borrowings Achmea B.V. and Achmea Bank N.V.: € 1,792 million and € 4,833 million
- Banking customer accounts: € 8,734 million

OUR VISION

SUSTAINABLE LIVING, TOGETHER

THE achmea WAY

OUR AMBITION

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

WHAT WE DO

Insurance • Compensation and repairs
Investments and financing/mortgages
Pension administration • Advice/prevention/services
Health procurement • Asset management

OUR BUILDING BLOCKS

Large client base	Skilled employees	Strong partner-ships	Expertise in data & digital	Outstanding financial position

OUTPUT

Customers receive the most advanced service possible as well as insight into today's and tomorrow's risks and solutions for mitigating and dealing with these risks. We also offer products and services that help our customers to restrict climate-related loss and damage, adapt to the changing climate and reduce their carbon footprint.

- Claims and benefits paid € 23,638 million

Employees enjoy a flexible and healthy working environment and good opportunities for personal and professional development.

- Employee expenses (incl. education): € 1,686 million

Partners we offer successful collaboration for all parties.

Capital providers receive financial compensation for invested capital.

- Proposed dividend ordinary shares: € 0.71 per share
- Interest expenses on debt securities: € 117 million
- Interest expenses on funds entrusted: € 120 million

RESULTS

Financial performance

We offer capital providers a solid return. To our customers we offer financial security, so that we are in a position to compensate them in the event of setbacks.

- Operational result excl. Health: € 441 million
- Net result: € 814 million
- Solvency II: 183%

Insurance and services

Via our products and services we contribute to restricting the carbon footprint and help customers to adapt to the consequences of climate change.
We provide insight into risks and enable customers to make decisions about which risks they do or do not wish to insure in light of their personal circumstances. Our products help customers to overcome (financial) setbacks.

- Reduction average insurance related CO_2-emission per car versus 2021: -4,1%
- rNPS retail market: Interpolis +15, Centraal Beheer +23, Zilveren Kruis +8

Investment and financing

We efficiently manage our investments and our customers' assets, taking ESG-related sustainability aspects into account wherever possible. We also provide mortgages and a stable source of income on retirement.

- Financed CO_2-emissions investments in companies compared to the intended reduction path: -70%
- % Energy label A or better for real estate portfolio: 58%
- Average energy label of mortgage portfolio: C

Own operations

Via sustainable and climate-neutral business operations we contribute to a sustainable environment. Via our procurement policy we are increasing our impact by critically examining our suppliers/partners, in terms of environmental aspects but also labour and human rights as well as ethics.

We offer employees income as well as broad and long-term employability inside and outside Achmea, including the option of developing their personal talents. Here we devote particular attention to a sound work-life balance.

- % reduction CO_2-emissions own operation versus 2019: -52%
- % women in top management: 33%
- Various MBO-scores including Vitality: 7.2

Society

In keeping with our cooperative identity we strive to create a society in which everyone can participate. Sustainability, climate and inclusion play an important role here. Together with our partners we want to solve major social issues in 4 domains and in doing so we contribute to the 3 key SDGs we have selected.

Bringing healthcare closer | Smart mobility | Carefree living & working | Income for today and tomorrow

3 GOOD HEALTH AND WELL-BEING | 11 SUSTAINABLE CITIES AND COMMUNITIES | 13 CLIMATE ACTION

ABRIDGED CONNECTIVITY TABLE

How we establish our material topics is described in the section In dialogue with stakeholders and material topics. In the table below we show how the material topics are embedded in our vision and strategy (see also the sections Our vision and Our strategy). We also demonstrate how we manage these material topics and refer to the part of the annual report that contains more information on these. Some of the indicators we use to measure progress on material topics are qualitative; indicators for measuring progress quantitatively are still being developed. These will be worked out in more detail over the coming years as part of the implementation of the Corporate Sustainability Reporting Directive (CSRD).

Supplement D. contains a more detailed version of this table that includes a description of the impact of the material topic, whether there is impact materiality or financial materiality and the stakeholders on which there is an impact.

	MATERIAL TOPIC	LINK TO OUR VISION AND STRATEGY	HOW WE MEASURE PROGRESS ON THIS TOPIC	MORE INFORMATION IN ANNUAL REPORT
Environmental	1. Climate change – mitigation	Sustainable Living. Together Large customer base	A variety of indicators, including: • Carbon emissions (own operations, insured emissions from the motor vehicle insurance portfolio and financed emissions) • Energy labels in real estate investments and insurance and banking mortgage portfolio • Dialogue and engagement for investments	Results - Other results insurance and services, environmental topics Results - Other results investments and financing, environmental topics Embedding in business operations, In detail: Risk management of climate change (TCFD) Supplement B. Detailed sustainability information
Environmental	2. Climate change – adaptation	Sustainable Living. Together Large customer base Strong partnerships Carefree living & working	We use qualitative objectives to manage the targets at various levels in the organisation. This is reflected in a range of initiatives that were either started or continued during the year. Also: indicators as listed above (especially engagements)	Results - Other results insurance and services, environmental topics Results, domain Carefree living & working Embedding in business operations, In detail: Risk management of climate change (TCFD)
Environmental	3. Pollution	Sustainable Living. Together Strong partnerships Carefree living & working	In consultation with other health insurers we are working on policy to restrict the negative impact as much as possible. We are doing this with other parties within the Green Deal on Sustainable Healthcare 3.0	Results - Other results insurance and services, environmental topics
Environmental	4. Biodiversity and ecosystems	Sustainable Living. Together Large customer base Strong partnerships	Policy and objectives deriving from it are currently under development. In this respect we monitor international trends in the Taskforce on Nature-related Financial Disclosures (TNFD). Indicators currently used in management: • % of customers in commercial portfolio for whom an engagement strategy has been developed • Dialogue and engagement for investments	Results - Other results insurance and services, environmental topics Results - Other results investments and financing, environmental topics
Environmental	5. Use of resources and circular economy	Sustainable Living. Together Strong partnerships	Policy and objectives deriving from it are currently (partly) under development. For the Health business we are doing this with other parties within the Green Deal on Sustainable Healthcare 3.0. Indicators currently used in management: • % of repair companies with ISO certification • % of repair companies with BOVAG quality seal or Groen Gedaan quality seal awarded by Stichting Duurzaam	Results - Other results insurance and services, environmental topics
Environmental	6. Waste	Sustainable Living. Together Strong partnerships	Policy and objectives deriving from it are currently (partly) under development. For the Health business we are doing this with other parties within the Green Deal on Sustainable Healthcare 3.0	Results - Other results insurance and services, environmental topics
Social	7. Privacy of customers' personal data	Large customer base	The risks are managed within the primary processes of the business units as part of the operational risks.	Embedding in business operations, Risk management Consolidated financial statements: Note 2. Capital and risk, operational risk
Social	8. Social inclusion - non-discrimination	Sustainable Living. Together Large customer base Expertise in data & digital	Policy and objectives deriving from it are currently (partly) under development. The risks are managed within the primary processes of the business units as part of the operational risks.	Embedding in business operations, Ethical framework and codes of conduct Consolidated financial statements: Note 2. Capital and risk management, operational risk

ABRIDGED CONNECTIVITY TABLE

	MATERIAL TOPIC	LINK TO OUR VISION AND STRATEGY	HOW WE MEASURE PROGRESS ON THIS TOPIC	MORE INFORMATION IN ANNUAL REPORT
Social	9. Social inclusion - access to products and services	Sustainable Living. Together Large customer base Expertise in data & digital	Policy and objectives deriving from it are currently (partly) under development. Progress is currently reflected in a range of initiatives that were either started or continued during the year.	Results - Other results insurance and services, social topics
Social	10. Access to information.	Sustainable Living. Together Large customer base Skilled employees	Policy and objectives deriving from it are currently (partly) under development. The risks are managed within the primary processes of the business units as part of the operational risks.	Results - Other results insurance and services, social topics Embedding in business operations, Ethical framework and codes of conduct Consolidated financial statements: Note 2. Capital and risk management, operational risk
Social	11. Responsible marketing practices	Sustainable Living. Together Large customer base Skilled employees	Policy and objectives deriving from it are currently (partly) under development. The risks are managed within the primary processes of the business units as part of the operational risks.	Results - Other results insurance and services, social topics Embedding in business operations, Ethical framework and codes of conduct and Risk management Consolidated financial statements: Note 2. Capital and risk management, operational risk
Social	12. Work-life balance for employees	Sustainable Living. Together Skilled employees	Progress is measured via the annual Employee Engagement Survey and several pulse surveys held throughout the year.	Results - Other results own operations, social topics
Social	13. Gender equality and equal pay for equal work	Sustainable Living. Together Skilled employees	A variety of indicators, including: • % of women in top management • Gender pay gap ratio	Results - Other results own operations, social topics Supplement B. Detailed sustainability information (table 9)
Social	14. Knowledge and development of employee skills	Sustainable Living. Together Skilled employees	A variety of indicators, including: • % of employees using training budget • Various Employee Engagement Survey scores	Results - Other results own operations, social topics
Social	15. Measures to combat violence and intimidation at work	Sustainable Living. Together Skilled employees	A variety of indicators, including: • Various Employee Engagement Survey scores • Number of incidents reported to confidential advisers • Number of incidents reported via whistleblower scheme	Results - Other results own operations, social topics Embedding in business operations, Ethical framework and codes of conduct
Social	16. Diversity in the workforce	Sustainable Living. Together Skilled employees	Policy and objectives deriving from it are currently (partly) under development.	Results - Other results own operations, social topics
Social	17. Working conditions for employees in the value chain	Sustainable Living. Together Bringing healthcare closer	In consultation with other health insurers we are working on policy to restrict the negative impact as much as possible. We are doing this with other parties within Zorgverzekeraars Nederland. With respect to the investment portfolio, Achmea conducts due diligence based on the Principles of the UN Global Compact. If a negative impact is identified, businesses are placed on the exclusion list and may not be included in the portfolio. Child labour is also tested via the UN Global Compact; we likewise exclude any businesses involved in this.	Results - Other results own operations, social topics Results - Other results investments and financing, social topics
Governance	18. Data and cybersecurity	Sustainable Living. Together Expertise in data & digital	The risks are managed within the primary processes of the business units as part of the operational risks. A variety of indicators are monitored at local level.	Embedding in business operations, Ethical framework and codes of conduct and Risk management Consolidated financial statements: Note 2. Capital and risk management, operational risk
Governance	19. Corporate culture	Sustainable Living. Together Skilled employees Expertise in data & digital	A variety of frameworks/indicators, including: • Various Employee Engagement Survey scores • Number of incidents reported to confidential advisers and via whistleblower scheme	Embedding in business operations, Ethical framework and codes of conduct
Governance	20. Prevention and detection of corruption and bribery, including in relation to education	Sustainable Living. Together Skilled employees Expertise in data & digital	The risks are managed within the primary processes of the business units as part of the operational risks. A variety of indicators are monitored at local level.	Embedding in business operations, Ethical framework and codes of conduct and Risk management Consolidated financial statements: Note 2. Capital and risk management, operational risk

RESULTS

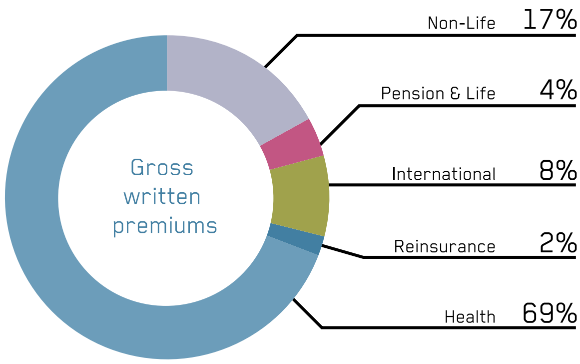
In this section of the annual report we disclose Achmea's results for 2023. We do this for both our financial performance and our other strategic results. Our vision Sustainable Living. Together means that we aim to conduct our business operations in a sustainable manner. This is also expressed in the results on our strategic building blocks: large client base, skilled employees, strong partnerships and expertise in data & digital. Strategic and sustainability results are often interconnected. We have therefore opted to report on these results in an integrated manner. The sections on Other results are subdivided into Insurance and services, Investments and financing and Own operations. In line with future reporting requirements under the Corporate Sustainability Reporting Directive (CSRD), which applies to us from the annual report over 2024, within these topics we have chosen to classify the results under the themes of Environmental, Social and Governance (ESG). Furthermore, we describe a number of important developments on the strategy's progress. We also show our achievements in 2023 regarding our ambition to contribute to the domains and social issues on which we focus.

FINANCIAL PERFORMANCE GROUP

Results and developments in 2023

GROUP RESULTS

GROSS WRITTEN PREMIUMS	NET RESULT	TOTAL EQUITY	SOLVENCY SII
€22,333 MILLION	€814 MILLION	€8,980 MILLION	183%



(€ MILLION)

RESULTS	2023	2022*	Δ
Non-Life Netherlands	309	258	20%
Pension & Life Netherlands	208	307	-32%
Retirement Services	47	-3	n.m.
International activities	6	-20	n.m.
Other activities	-129	-212	n.m.
Operational result[1] excluding Health Netherlands	**441**	**330**	**34%**
Health Netherlands	187	189	-1%
of which Basic Health Insurance	79	64	23%
of which Supplementary Health Insurance and other	108	125	-14%
Operational result including Health Netherlands	**628**	**519**	**21%**
Non-operational result	326	-1,574	n.m.
Result before tax	**954**	**-1,055**	**n.m.**
Corporate income tax expenses	140	-247	n.m.
Net result	**814**	**-808**	**n.m.**
Non-Life Netherlands	4,044	3,881	4%
Health Netherlands	15,571	14,790	5%
Pension & Life Netherlands	819	813	1%
International activities	1,756	1,453	21%
Gross written premiums[2]	**22,333**	**21,088**	**6%**
Total revenue segment Retirement Services	**490**	**404**	**21%**
Gross operating expenses[3]	**2,375**	**2,175**	**9%**
Of which related to non-insurance activities	611	523	17%

FINANCIAL PERFORMANCE GROUP

BALANCE SHEET	31.12.2023	31.12.2022*	Δ
Total assets	77,718	76,735	1%
Total equity	8,980	8,597	4%

ASSETS UNDER MANAGEMENT (IN € BILLION)	31.12.2023	31.12.2022	Δ
Achmea Investment Management	190	166	14%
Syntrus Achmea Real Estate & Finance	41	41	0%
Total Assets under Management**	**218**	**194**	**12%**

SOLVENCY	31.12.2023	31.12.2022	Δ
Solvency ratio Achmea Group after dividend[4]	183%	209%	-26 pp
Solvency ratio insurance entities and holding company	196%	219%	-23 pp
Solvency ratio asset management and other	221%	222%	-1 pp
Common Equity Tier 1 ratio Achmea Bank	16.9%	18.2%	-1.3 pp

RATINGS	31.12.2023	31.12.2022	
S&P (Financial Strength Rating)	A (Stable)	A (Stable)	Unchanged
Fitch (Insurer Financial Strength)	A+ (Stable)	A+ (Stable)	Unchanged

EMPLOYEES IN THE NETHERLANDS AND ABROAD[5]	31.12.2023	31.12.2022	Δ
FTEs Netherlands	14,271	14,075	1%
FTEs International	3,508	3,451	2%
Total FTEs	**17,779**	**17,526**	**1%**

n.m.: not meaningful

* Recalculated in accordance with IFRS 9/17 and new definition of operational result

** Total assets under management after eliminations

1 Operational result is equal to the result before tax adjusted for reorganisation expenses, results from mergers & acquisitions and application of an expected return method for the net financial result from (re)insurance activities. Using this method, we base our calculations on the expected market rates at the start of the year and normalised returns on investments in equity and investment property. The same market rates are also used to determine the discount curve and provision for accrual of our insurance liabilities when calculating the operational result.

2 Gross written premiums (or premiums) for Property & Casualty insurance (with the exception of disability insurance contracts) and Health insurance relate to insurance contracts with starting dates during the reporting period and comprise the contractual premiums throughout the entire contract period. The gross written premiums for Health insurance also include the contribution from the Health Insurance Equalisation Fund. The contract period is the period during which Achmea is unable to (entirely) adjust the premiums or the insurance policy conditions for the changed risk profile of policyholders. For the other insurance contracts, the amount of gross written premiums is equal to the premiums owed or earned during the contract period.

3 Gross operating expenses comprise personnel costs, depreciation costs for property for own use and equipment and general expenses, including IT expenses and marketing expenses.

4 The solvency ratios reported here are based on our Partial Internal Model and are after the deduction of (planned) payment of dividends and coupons on hybrid capital.

5 The number of FTEs is based on a working week of 34 hours.

FINANCIAL PERFORMANCE GROUP

OVERVIEW OF GROUP RESULTS

Transition to new accounting standards

For the first time, this financial year Achmea is reporting its results in accordance with the new IFRS 9 and IFRS 17 accounting standards. Under these IFRS 9/17 standards, the value changes of both the investments and the liabilities deriving from changes to e.g. interest rates and equity and real estate prices are recognised in the income statement. This impact was largely included under equity under IAS 39/IFRS 4 and therefore had less of an effect on the net result.

As a result, movements on the financial markets can cause greater volatility in the result under IFRS 9/17. In order to maintain focus and control on the underlying development of the results, we have chosen to focus on the operating result, based on an 'expected return' methodology for determining the financial results. This means that volatility from market movements is recognised in the non-operational result. In the expected return method market rates at the start of the year and normalised returns on investments in equities and investment property are used. The same market rates are used to determine the discount curve and provision for accrual of our insurance liabilities when calculating the operational result. In addition, the operational result is adjusted for reorganisation expenses and transaction results from mergers and acquisitions. These adjustments enable the operational result to accurately reflect Achmea's underlying financial performance.

Under the adjusted financial indicators the results will give comparable through-the-cycle outcomes, whereby we maintain our ambitions for 2025.

The comparative figures for 2022 have been adjusted accordingly. Recognition of the market value developments of the investments and the insurance liability in the income statement under IFRS 9/17 leads to a substantially lower net result over 2022 as compared to IAS 39/IFRS 4. Exceptional market conditions, including the sharply higher interest rates, spreads and lower equity prices, had a significant negative impact on the result in 2022 under IFRS 9/17. By using the expected return method, the operational result is significantly less sensitive to extreme market conditions.

Operational result

The operational result increased strongly to € 628 million in 2023 (2022: € 519 million). This was driven by an improvement in the operational result excluding Health Netherlands, which increased to € 441 million (2022: € 330 million). The result at Health Netherlands was more or less stable.

CFO'S INTRODUCTION TO GROUP RESULTS

Michel Lamie, CFO

Vice-chairman and
Member of the Executive Board

In a challenging year, we achieved a strong operating result of € 628 million, an increase of +21% compared to last year. This is driven by, among other things, growth in customers and the underwriting result at Non-Life, Achmea Bank's interest margin and the investment result. The net result is also solid at € 814 million. We showed a good financial performance with this. In a broad sense, we are making good progress towards achieving our financial targets towards 2025. There were also great milestones in other areas, including the successful transition to the new IFRS 9/17 accounting standards, the new dividend policy applicable to this annual result and the simplification of our shareholders structure through the repurchase of the preference shares. Our solvency ratio is solid at 183%, with the decrease in 2023 due to growth of our business, model changes and buybacks of capital instruments (including the preference shares). Financial markets are expected to remain volatile in 2024 due to geopolitical tensions and macroeconomic developments. Fortunately, inflation seems to be getting better and better under control at the moment, prompted by the interest rate policy of the central banks.

OPERATIONAL RESULT (€ MILLION)

	2023	2022*	Δ
Operational result excluding Health Netherlands	**441**	**330**	**111**
Operational insurance service result excl. Health Netherlands	287	301	-14
Net operational financial result excl. Health Netherlands	278	312	-34
Other results excl. Health Netherlands	-124	-283	159
Operational result[1] Health Netherlands	**187**	**189**	**-2**
Operational insurance service result Health Netherlands	32	184	-152
Net operational financial result Health Netherlands	147	3	144
Other results Health Netherlands	8	2	6
Operational result including Health Netherlands	**628**	**519**	**109**

* Recalculated in accordance with IFRS 9/17 and new definition of operational result

FINANCIAL PERFORMANCE GROUP

The operational insurance service result excluding Health Netherlands amounted to € 287 million (2022: € 301 million).

There was a significant increase in the operational insurance service result at Non-Life and Achmea Reinsurance. At Non-Life Netherlands this increase was supported by premium growth and further investments in digitalisation. In addition, higher interest rates and lower inflation expectations had a positive impact. Compared to 2022 there were no major storm-related claims in 2023. However, we are seeing more weather-related claims and at car insurance a higher cost of claims due to increased traffic intensity, resulting in higher bodily injury and other claims. At Income Protection the result has improved due to a lower cost of claims in the disability insurance portfolio. The increase at Achmea Reinsurance was driven by the lower impact from catastrophe-related claims, especially on our reinsurance portfolio for third-party risk, and also by implemented price adjustments and margin improvements.
At Pension & Life Netherlands the insurance service result declined because of an allocation to the provision arising from the settlement reached with the interest groups for unit-linked policyholders.

The insurance service result at Health Netherlands was lower due to higher healthcare costs in the current underwriting year and a negative effect on the result for previous years deriving from the impact from the outcome of the solidarity scheme related to Covid-19.

Achmea's net operational financial result increased to € 425 million (2022: € 315 million). This was driven mainly by an increase within Health Netherlands due to higher interest rates and spread widening on fixed income investments.

Other results improved to € 116 million negative (2022: € 281 million negative). This result is negative as it includes amongst others the expenses of the holding and shared service activities, as well as the financing charges for the bonds issued by Achmea. The operational result for the holding company improved versus last year, in part because of higher investment income and the higher valuation for a divested property.

At Retirement Services the result increased in 2023, thanks to growth in the mortgage portfolio at Achmea Bank and an improved interest margin. The result at the other parts of Retirement Services was impacted by further investment in the organisation and systems for the implementation of the new pension legislation. Negative developments in the real estate market (lower valuations) are also adversely affecting the result.

Result before tax

(€ MILLION)

	2023	2022*	Δ
Operational result	**628**	**519**	**109**
Non-operational result	**326**	**-1,574**	**1,900**
Non-operational financial result	344	-1,531	1,875
Reorganisation expenses	-14	-14	0
Transaction results (mergers and acquisitions)	-4	-29	25
Result before tax	**954**	**-1,055**	**2,009**

n.m.: not meaningful

** Recalculated in accordance with IFRS 9/17 and new definition of operational result*

The non-operational result amounted to € 326 million in 2023 (2022: € 1,574 million negative).

The non-operational financial result from (re)insurance activities was € 1.9 billion higher in 2023 than in 2022. This higher result derives from the positive trends on the financial markets in 2023 compared to the exceptionally negative development of financial markets in 2022. In 2022, the 5-year European swap rate increased by 321 bps to 3.23%, while yields on government bonds displayed similar increases. The MSCI World index dropped by nearly 20% in 2022.

The return on real estate including property investment funds decreased to € 121 million negative in 2023 (2022: € 37 million positive) as a result of market value developments, in part due to higher interest rates. This negative effect in 2023 was offset in full by the higher returns on the other asset classes. The return on equities and similar instruments was € 173 million positive in 2023 (2022: € 136 million negative), which resulted in the total return on these investments exceeding the expected return.

The difference between the impact of developments in interest rates and spreads on our fixed income investments on the one hand and the liabilities relating to insurance contracts on the other improved in 2023 versus 2022. The positive interest rate effect can be explained by the fact that (long-term) interest rates and spreads barely changed in 2023, while exceptional market conditions in 2022 had a significant negative impact on the result under IFRS 9/17. This resulted in a higher non-operational financial result in 2023.

Reorganisation expenses and the transaction result from mergers and acquisitions added up to € 18 million negative over 2023 (2022: € 43 million negative).

FINANCIAL PERFORMANCE GROUP

Net result

The net result amounted to € 814 million in 2023 (2022: € 808 million negative). The effective tax expenses were € 140 million (14.7%). The effective tax rate is lower than the nominal tax rate, mainly as a result of the deduction of the interest payments on perpetual bonds of which the interest expenses are recognised through equity and the tax exempt revenues of our Health business.

Revenues

(€ MILLION)

	2023	2022	Δ
Gross written premiums	**22,333**	**21,088**	**6%**
Non-Life Netherlands	4,044	3,881	4%
Health Netherlands	15,571	14,790	5%
Pension & Life Netherlands	819	813	1%
International activities	1,756	1,453	21%

Gross written premiums increased by 6% to € 22,333 million in 2023 (2022: € 21,088 million).

Premiums at Non-Life Netherlands grew by 4% to € 4,044 million (2022: € 3,881 million) due to autonomous growth and indexation of premiums and insured values. At our international non-life business, premiums increased by 22% to € 849 million (2022: € 696 million).

Premiums within Health Netherlands increased by 5% to € 15,571 million (2022: € 14,790 million) thanks to higher premiums caused by healthcare costs inflation and a higher contribution from the Health Insurance Equalisation Fund while the number of insured decreased. Premiums from our international health business grew by 21% to € 862 million (2022: € 714 million), largely owing to growth in Slovakia.

Gross written premiums from pension and life insurance policies both in the Netherlands and internationally increased by 1% to € 864 million (2022: € 856 million).

At Retirement Services, revenues grew by 21% to € 490 million in 2023 (2022: € 404 million), mostly as a result of the higher interest margin at Achmea Bank.
Assets under management at Achmea Investment Management grew to € 190 billion (year-end 2022: € 166 billion) thanks to new inflow and positive developments on the financial markets. Assets under management at Syntrus Achmea remained unchanged at € 41 billion (year-end 2022: € 41 billion) despite lower real estate valuations.

Gross operating expenses

The gross operating expenses that are allocated to the insurance activities are recognised under the expenses from insurance-related services. The part of operating expenses that are not allocated to the insurance activities and operating expenses from the other activities are recognised under Operating expenses in the income statement.

TOTAL GROSS OPERATING EXPENSES

(€ MILLION)

	2023	2022	Δ
Related to insurance activities[6]	1,764	1,652	7%
Related to non-insurance activities	611	523	17%
Gross operating expenses	**2,375**	**2,175**	**9%**

Gross operating expenses increased by 9% to € 2,375 million in 2023 (2022: € 2,175 million). This increase relates to strategic investments and portfolio growth, higher personnel costs, inflation together with the impact of laws and regulations. The higher personnel expenses derive from wage increases under the collective labour agreement and the higher number of FTEs.

The total number of employees grew slightly to 17,779 FTEs (year-end 2022: 17,526 FTEs). In the Netherlands, the number of FTEs increased to 14,271 (year-end 2022: 14,075 FTEs) due to acquisitions and portfolio growth. The total number of employees outside the Netherlands remained fairly stable at 3,508 FTEs (year-end 2022: 3,451 FTEs).

Capital management

Total equity

Achmea's equity increased by € 383 million to € 8,980 million in 2023 (year-end 2022: € 8,597 million). This is driven by the net result in 2023, dividend payments and the withdrawal of preference shares as of 31 December 2023.

DEVELOPMENT OF TOTAL EQUITY

(€ MILLION)

Total equity 31.12.2022*	**8,597**
Net result	814
Revaluation of net defined benefit liability	-54
Unrealised gains and losses on property for own use	-18
Movement in exchange difference reserve	-9
Results from participations	2
Dividends and coupon payments to holders of equity instruments	-85
Issue, sale and buyback of equity instruments	-267
Minority interest	**0**
Total equity 31.12.2023	**8,980**

** Recalculated in accordance with IFRS 9/17*

FINANCIAL PERFORMANCE GROUP

Solvency II

The solvency position of Achmea Group is solid at 183% as of the end of December 2023 (year-end 2022: 209%). Solvency has decreased due to growth of our business, market developments, model changes and the repurchase of capital instruments. The increase in the required capital is driven by higher healthcare costs and an increased net retention and higher premiums on our reinsurance programme. Growth at Non-Life and in Achmea Bank's mortgage portfolio led to an increase in required capital. The investment results and release of capital at Pension & Life made a positive contribution. Market developments had a negative impact. This was driven by interest rate and spread developments, including higher mortgage spreads, an increase in required capital due to the annual calibration of the market risk model and an adjustment in the investment portfolio. Methodology and model changes contributed negatively due to stricter sector-wide capital requirements at Achmea Bank and an increase of the risk margin at Achmea Pension & Life, which were partly offset by the positive impact of a sector-wide change to the contract boundary for disability insurance policies. The repurchase of preference shares and partial Tier 2 refinancing had a negative effect on the Solvency II ratio.

The solvency ratio of the insurance entities including the holding company stands at 196% (2022: 219%) and is robust. The solvency ratio for Asset Management and the other entities is 221% (2022: 222%). Achmea Bank's Common Equity Tier 1 ratio stood at 16.9% as of year-end 2023 (2022: 18.2%).

The Solvency II ratio takes into account the proposal to be presented to the General Meeting on 9 April 2024 to pay dividends on shares totalling € 267 million. This proposal is based on the new dividend policy, in which the dividend will be 7.0% of Achmea's calculated value. Taking into account the expected choice by the shareholders between a dividend (partial or full) in cash or in the form of Achmea ordinary shares, the calculation of the Solvency II ratio assumes a cash dividend payment of € 70 million.

SOLVENCY II RATIO FOR ACHMEA GROUP

(€ MILLION)

	31.12.2023	31.12.2022	Δ
Eligible Own Funds under Solvency II	8,848	9,195	-347
Solvency Capital Requirement	4,840	4,410	430
Surplus	4,008	4,785	-777
Solvency II Ratio	**183%**	**209%**	**-26 pp**

Free Capital Generation[7]

Total Free Capital Generation (FCG) amounted to € 301 million negative in 2023, mainly due to some negative one-off developments. The FCG from operating activities, including the release of capital from the service book of Pension & Life, amounted to € 402 million. Required capital increased with € 52 million from commercial growth at Non-Life and Achmea Bank.

The increase in required capital resulting from the adjusted reinsurance cover had a negative impact on the FCG of € 110 million.

Market developments, model adjustments and other effects had a negative effect of € 593 million on balance. Market developments were driven by increased mortgage spreads, the impact from the annual calibration of the market risk model and an adjustment of the investment portfolio. Methodology and model changes, including a sector-wide change to the contract boundary for disability insurance policies and an increase of the risk margin at Pension & Life, had a negative effect on the FCG, as well as the provision for the finalisation of unit linked insurance policies. The results and development of the capital position of our Dutch health activities are not part of the FCG.

Financing

The debt-leverage ratio[8] based on the definition under IFRS 9/17 improved to 25.9% (year-end 2022: 28.2%). This improvement was driven by an increase in equity. In addition outstanding debt decreased on balance due to the redemption on 4 April 2023 of Tier 2 bonds with a value of € 500 million and the newly-issued Tier 2 bonds with a value of € 300 million. Due to the higher operational result, the fixed-charge coverage ratio[9] based on the definition of operational result under IFRS 9/17 increased to 6.2 (FY 2022: 5.7). The fixed-charge coverage ratio based on the result before tax increased to 8.7 (FY 2022: 7.2 negative).

On 13 March 2024, Standard & Poor's (S&P) affirmed its A rating and stable outlook for Achmea's Dutch core insurance entities. Revised criteria for S&P's capital model had a positive effect on S&P's view of Achmea group's capital position. The rating reflects S&P's expectation that Achmea's net result will recover in the period 2023-2025, lifting the fixed-charge coverage ratio, and allowing Achmea to maintain its capital position. S&P expects the group to maintain its leading market positions in the non-life and health activities. The credit rating (ICR[10]) for Achmea B.V. remained unchanged at BBB+. The rating (FSR[11]) for Achmea Reinsurance Company N.V. and the rating (ICR) for Achmea Bank N.V. remained unchanged at A-.

FINANCIAL PERFORMANCE GROUP

Fitch affirmed its rating for Achmea B.V. and its insurance entities on 19 July 2023. Achmea was awarded a score of Very Strong with regard to its business profile, capitalisation and investment risk management. Its ratings are A (IDR[12]) and A+ (IFS[13]) respectively with a stable outlook.

Uncertainties

We live in turbulent times that bring with them mounting uncertainty, including in geopolitical and macro-economic (e.g. inflation) terms. This affects how we are able to create sustainable value for our stakeholders and how we carry out our activities as an insurer and financial service provider. Some trends have been around for a while, and at the same time more uncertain factors are impacting our customers, the economy and our living environment.

It is uncertain how the geopolitical situation and financial markets will develop in the near future. In addition, there are inherent uncertainties to our business and related investments. The risks of financial market developments are limited as much as possible through our investment policy and the restrictions included in it.

Uncertainty is also an inherent part of our line of business. New laws and legislation affect our operations and require additional investments. On top of all this, we continue to keep track of the impact on our business models of developments on the financial markets, including changes to interest rates and inflation, the use of new technology such as Artificial Intelligence and the growing number of claims arising from climate change and extreme weather.

The result from our Dutch health business depends to an extent on how medical expenses evolve further, partly in relation to medical expenses inflation. Under current regulations, a significant portion of medical expenses can be offset using retrospective correction of total costs.

Future developments

In 2024, we will continue the implementation of our vision ‘Sustainable Living. Together’. We will continue to invest in developing new propositions and providing optimum services to our customers, while also being alert to the need for claims management, cost efficiency and balance sheet optimisation.

An adequate financial return is necessary for us to fulfil our social role in the long term and be able to continue investing in further strengthening our company and our competitive position. We seek a balance between short-term results and long-term continuity. In addition, we are focusing on achieving our (financial) targets for 2025. These targets include the increase in our operational result and Free Capital Generation. This also contributes to our ability to invest in growth and innovation.

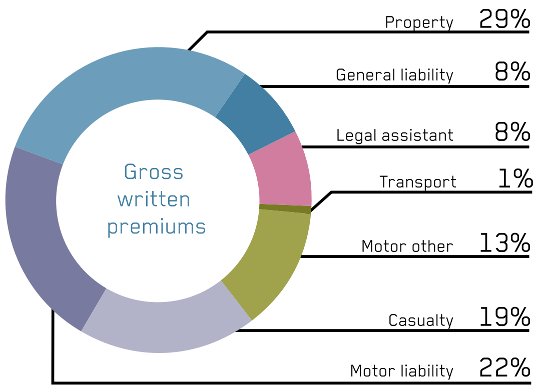
The changing environment, including the required acceleration in digitisation and efficiency, also affects our employees. We continue to invest in healthy working practices, promoting professionalism and the development of leadership, and we encourage our employees to acquire new skills and competencies to increase their long-term employability.

6 The operating expenses that are allocated to the insurance activities are recognised under Expenses from insurance-related services.
7 Free Capital Generation relates to the amount of free capital that is generated. This is the increase in capital above the required capital.
8 Debt-leverage ratio: (non-banking debt + perpetual subordinated bonds) as a percentage of the total (total equity + non-banking debt + perpetual subordinated bonds + CSM + risk adjustment -/- goodwill)
9 The fixed-charge coverage ratio is based on the results and financing charges of the last four quarters.
10 ICR: Issuer Credit Rating.
11 FSR: Financial Strength Rating.
12 IDR: Issuer Default Rating.
13 IFS: Insurer Financial Strength.

FINANCIAL PERFORMANCE SEGMENTS

Non-Life Netherlands

GROSS WRITTEN PREMIUMS	OPERATIONAL RESULT	CLAIMS RATIO	EXPENSE RATIO
€4,044 MILLION	€309 MILLION	69.6%	24.3%



RESULTS (€ MILLION)

	2023	2022*	Δ
Operational insurance service result	**247**	**217**	**14%**
Revenue from insurance-related services	4,034	3,864	4%
Expenses from insurance-related services	-3,620	-3,599	n.m.
Insurance service result from reinsurance contracts	-167	-48	n.m.
Net operational financial result from (re)insurance activities	74	39	90%
Other results	-12	2	n.m.
Operational result	**309**	**258**	**20%**
Gross written premiums	4,044	3,881	4%

NON-LIFE NETHERLANDS	2023	2022*	Δ
Claims ratio	69.6%	71.0%	-1.4 pp
Expense ratio	24.3%	23.4%	0.9 pp
Combined ratio	**93.9%**	**94.4%**	**−0.5 pp**

	31.12.2023	31.12.2022	Δ
Solvency ratio Achmea Schadeverzekeringen N.V.	143%	159%	-16% pp

n.m.: not meaningful

* Recalculated in accordance with IFRS 9/17 and new definition of operational result

General

Achmea is the market leader in Property & Casualty insurance for many years and ranks in the top three in Income Protection insurance. We provide our retail and commercial customers with amongst others car insurance, fire insurance, liability insurance and travel insurance. In addition, we offer sickness and disability insurance. We support our customers with innovative services that give insight into the risks to which they are exposed. In doing so, we help our customers to prevent and/or restrict damage as much as possible.

We distribute our products and services directly through our brands Centraal Beheer, FBTO and InShared, which gives us a strong position in the retail market. Interpolis is the brand for our Rabobank customers, and via Avéro Achmea we have an excellent partnership with intermediaries and insurance brokers. Our focus is on a high level of customer satisfaction, low costs, prevention and digitisation of processes.

FINANCIAL PERFORMANCE SEGMENTS

Sustainable solutions
Based on Achmea's vision "Sustainable Living. Together", we are devoting ever greater attention to sustainability including climate change. Our services enable us to help customers with sustainable solutions that are aligned with the energy transition. Examples include the Klimaatwinkel (climate store), Duurzaam Woongemak (sustainability of homes), Verduurzamen van uw VvE (assistance on sustainability for homeowner associations) and Duurzaam Schadeherstel (sustainable repairs) propositions. The Klimaatwinkel is aimed at employers who wish to offer their employees sustainability solutions. Our customers award these propositions high customer satisfaction scores.

Thanks to the digitisation of our activities and targeted campaigns on the job market we have increased our resilience for future workload peaks in claims handling.

Operational result
The operational result at Non-Life Netherlands increased significantly € 309 million (2022: € 258 million) thanks to both a better insurance service result and an improved net operational financial result.

The net operational financial result from (re)insurance activities increased to € 74 million in 2023 (2022: € 39 million) as short-term interest rates were higher in 2023 than in 2022.

The operational insurance service result grew to € 247 million in 2023 (2022: € 217 million) support by premium growth and further investments in digitalisation. Higher interest rates and lower inflation expectations had a positive effect. In contrast to 2022, there were no major storm-related claims in 2023, but we are seeing more weather-related claims caused by climate change. Compared to 2022 we have also seen an increase in traffic intensity and corresponding higher cost of claims (including personal injury). The higher rate of inflation means that claims are also higher on average.

At Income Protection the result has improved due to a lower cost of claims in the WIA disability act portfolio. Sickness insurance noted a similar result to that of 2022. In disability insurance the long-term absenteeism rate is stable. Limiting and reducing absenteeism remains important to support the continuity of the business of the employers and the self-employed that are our customers. The provisions in the WIA (group disability) insurance portfolio were increased as a result of the Dutch government's decision to raise the minimum wage by 3.75% as of 1 January 2024.

These developments are visible in the improvement of the combined ratio for Non-Life to 93.9% (2022: 94.4%).

Non-Life Netherlands segment

Lidwien Suur
Member of the Executive Board and responsible for Non-Life and Distribution

Non-Life Netherlands has enjoyed an excellent year. We saw growth in premium volume for our property & casualty and income protection insurance to over € 4 billion. This derived from growth in both the retail and commercial markets. We also noted a sound operational result. Many of our internal and customer processes are supported digitally. Our customers appreciate this as it offers them speed and convenience. During the annual healthcare campaign, FBTO launched the AI bot for digital customer contacts. The bot can answer over 60% of customer queries without requiring the intervention of colleagues. Thanks to the AI bot, performance and customer satisfaction remained exceptionally high even in what was the busiest FBTO healthcare campaign ever. This type of digital initiative enables us to free up resources for helping customers at times when they need face-to-face contact.

Together with our partner Rabobank, Interpolis introduced the Autobewust insurance in order to reach new target groups. The partnership between Rabobank and Achmea has been further strengthened in various areas.

And so that Achmea can continue to respond to rapidly changing customer needs in the long term, at the start of 2023 we opened the Achmea Innovation Hub in Amsterdam. Here, an international innovation team is working on creating new revenue models in an autonomous setting. The first ventures are now being tested on the market.

Operating expenses
Operating expenses increased to € 986 million (2022: € 907 million). This was mainly due to higher inflation, further investments in the digitisation of business operations and the increase in commission charges deriving from a growing portfolio. The efficiency achieved through digitisation has a particularly positive effect on the claims ratio because of the corresponding lower claims handling expenses. Furthermore, personnel expenses have risen slightly as a result of the collective labour agreement. Due to these developments the expense ratio increased to 24.3% (2022: 23.4%).

FINANCIAL PERFORMANCE SEGMENTS

Gross written premiums

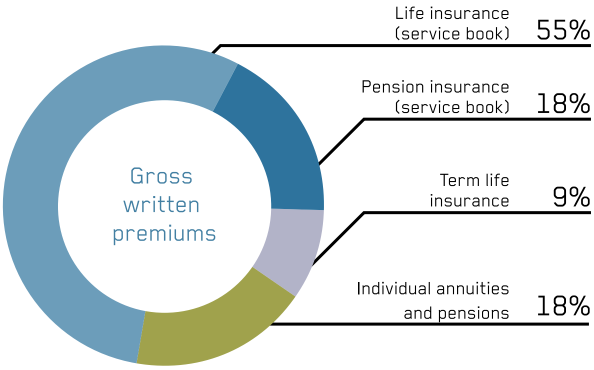
Gross written premiums increased by 4% to € 4,044 million in 2023 (2022: € 3,881 million). In a highly competitive market, this growth derives partly from autonomous growth and partly from the indexation of premiums and insured values. At Income Protection insurance there was slight growth in premiums in the WIA disability and sickness group products.

FINANCIAL PERFORMANCE SEGMENTS

Pension & Life Netherlands

GROSS WRITTEN PREMIUMS
€819 MILJOEN

OPERATIONAL RESULT
€208 MILJOEN



RESULTS

(€ MILLION)

	2023	2022*	Δ
Operational insurance service result	**14**	**84**	**-83%**
Revenue from insurance-related services	1,679	1,781	-6%
Expenses from insurance-related services	-1,665	-1,693	n.m.
Insurance service result from reinsurance contracts	0	-4	
Net operational financial result from (re)insurance activities	201	229	-12%
Other results	-7	-6	n.m.
Operational result	**208**	**307**	**-32%**
Gross written premiums	819	813	1%

	31.12.2023	31.12.2022	Δ
Contractual Service Margin (CSM)	1,030	1,059	-3%
Risk adjustment	700	699	0%

	31.12.2023	31.12.2022	Δ
Solvency ratio Achmea Pensioen- en Levensverzekeringen N.V.	177%	204%	-27%-pt

n.m.: not meaningful

* Recalculated in accordance with IFRS 9/17 and new definition of operational result

General

Via our Centraal Beheer, FBTO and Interpolis brands and via the Centraal Beheer PPI we offer term life insurance, individual pension annuities and annuities. This is how we achieve growth in our open-book portfolio. In addition, the Pension & Life service organisation manages a service-book portfolio containing group pension contracts and traditional savings and life insurance products. The service organisation has the ambition of earning a stable result with positive capital generation combined with a high level of customer satisfaction

Operational result

The operational result at Pension & Life Netherlands decreased to € 208 million in 2023 (2022: € 307 million) due to the provision for the final agreement on unit-linked policies and a lower net operational financial result from (re)insurance activities.

The operational insurance service result declined to € 14 million in 2023 (2022: € 84 million). This was mainly because of an allocation to the technical provision for settling claims on unit-linked policies as agreed with the interest groups and a lower release from the risk adjustment due to interest rate developments.

FINANCIAL PERFORMANCE SEGMENTS

The net operational financial result from (re)insurance contracts decreased to € 201 million in 2023 (2022: € 229 million). The lower result is related to the impact of changes to interest rates and spreads. Furthermore, the size of the investments declined in line with the run-off of the service-book portfolio. At € 7 million negative, Other results were in line with last year.

Gross written premiums

Gross written premiums increased by 1% to € 819 million in 2023 (2022: € 813 million). Of this amount, € 224 million (2022: € 202 million) came from the open book and € 595 million from the service book (2022: € 611 million).

Premiums from term life insurance in the open-book portfolio increased to € 73 million (2022: € 69 million) and represent a growing market share. The sale of term life increased mainly within Centraal Beheer, while the sales of term life experience a declining trend in the Dutch market. Single premium production from individual annuities and pensions amounted to € 151 million in 2023 (2022: € 133 million).

Total written premiums from our service-book pension portfolio were € 147 million in 2023 (2022: € 111 million), while total written premiums on our service-book life insurance portfolio amounted to € 448 million (2022: € 500 million). In line with our strategy, no new insurance contracts are being sold to customers in these portfolios.

Development of CSM and Risk Adjustment

Both the CSM and Risk Adjustment remained more or less unchanged in 2023 and were € 1,030 million (year-end 2022: € 1,059 million) and € 700 million respectively (year-end 2022: € 699 million). The CSM is marginally lower due to higher costs caused by higher inflation and the release from CSM, in part offset by adjustments to life expectancy. The risk adjustment is in line with that of 2022. Interest rate developments led to a higher risk adjustment that was offset by the release in 2023.

Pension & Life Netherlands segment

Daphne de Kluis
Member of the Executive Board and responsible for Pension & Life.

We offer term life insurance and immediate pensions and annuities. This portfolio, the open book, has experienced good growth in 2023. Together with Centraal Beheer PPI, we are working hard to develop new products. We are committed to changing the downward trend of term life sales in the Netherlands. In recent years, the number of people who take out this insurance to be able to continue paying housing costs after the death of their partner has steadily decreased. In practice, we see that this can lead to distressing situations. That is why we are actively working to reverse this trend. As a result, our own term life production through Centraal Beheer increased significantly in 2023.

At the beginning of 2024, we reached a settlement regarding the unit-linked insurances. An important milestone. It is positive for all parties involved that there is now clarity and that we can close this topic.

To be able to provide our Pension & Life customers with the best possible service in the future, we are exploring various internal and external options. We manage large portfolios of insurance policies that are no longer actively offered and that are gradually shrinking (service book). It is essential that we maintain an efficient way of working, while keeping cost developments in line with the size of our portfolios. Our goal is, of course, to continue to serve our customers as well as possible.

FINANCIAL PERFORMANCE SEGMENTS

Retirement Services Netherlands

NET INTEREST MARGIN	OPERATIONAL RESULT	ASSET UNDER MANAGEMENT	COMMON EQUITY TIER 1 RATIO ACHMEA BANK
€206 MILLION	€47 MILLION	€218 MILLION	16.9%

RESULTS

(€ MILLION)

RETIREMENT SERVICES	2023	2022*	Δ
Total income	**490**	**404**	**21%**
Administrative and management fees	292	272	7%
Net interest margin	206	125	65%
Fair value results[1]	-8	7	n.m.
Operating expenses[2]	441	393	12%
Other results	-2	-14	n.m.
Operational result	**47**	**-3**	**n.m.**

	31.12.2023	31.12.2022	Δ
Common Equity Tier 1 ratio Achmea Bank	16.9%	18.2%	-1.3 pp
ICARAP ratio Achmea Investment Management	163%	187%	-24 pp
ICARAP ratio Syntrus Achmea Real Estate & Finance	221%	199%	22 pp

(€ BILLION)

ASSETS UNDER MANAGEMENT[3]	31.12.2023	31.12.2022	Δ
Achmea Investment Management	190	166	24
Syntrus Achmea Real Estate & Finance	41	41	0
Of which real estate	12	13	-1
Of which mortgages	29	28	1
Total Assets under Management**	**218**	**194**	**24**

MORTGAGE	31.12.2023	31.12.2022	Δ
Banking mortgage portfolio	14.4	12.4	2.0

	2023	2022	Δ
Mortgage production Retirement Services	**4.1**	**6.1**	**-2.0**
Of which on behalf of Achmea Bank	2.0	2.0	-
Of which on behalf of Achmea's insurance entities	0.7	0.9	-0.2
Of which on behalf of third parties	1.4	3.2	-1.8

SAVINGS	31.12.2023	31.12.2022	Δ
Banking customer accounts	8.7	7.4	1.3

n.m.: not meaningful

* Recalculated in accordance with IFRS 9/17 and new definition of operational result

** Total assets under management after eliminations

1 The fair value result is an accounting result relating to hedge accounting and is compensated for in other reporting periods, in line with the value development of the underlying derivatives. Derivatives are used to limit the interest rate risk. This explicitly concerns the result relating to the activities of Achmea Bank.
2 Operating expenses including other expenses and excluding transaction results.
3 Assets under Management (AuM) include a derivatives (overlay) portfolio as well as the investments managed by Achmea IM and SAREF on behalf of the insurance entities within Achmea.

FINANCIAL PERFORMANCE SEGMENTS

General

Through Retirement Services, Achmea helps customers to make prudent financial decisions by offering insight, advice and smart solutions. We serve consumers, employers and institutional clients. We offer our customers a carefree day, today and tomorrow. We do this via Achmea Bank, Achmea Investment Management, Achmea Pension Services, Syntrus Achmea Real Estate & Finance (Syntrus Achmea) and the Centraal Beheer PPI (CB PPI). Here, we offer an integral range of products and services and respond to the needs of our customers.

In the employer and retail customer market, we position ourselves via the Centraal Beheer brand as a financial service provider that offers a wide range of pension, savings, investment, mortgage and insurance products. Within Retirement Services, we serve 450,000 active customers through these retail customer solutions, a growth of 7% versus last year.

Achmea Bank provides mortgages, savings products and investment services to retail customers in the Netherlands in collaboration with Centraal Beheer, Syntrus Achmea Hypotheken and Achmea Investment Management. In 2023 we expanded our product range to include a third-pillar investment product and a mortgage aimed specifically at energy-saving measures.

Achmea Bank works with external partners in mortgages with a view to realising its growth and diversification strategy. In 2023 Achmea Bank obtained Advanced Internal Rating Based (AIRB) status from De Nederlandsche Bank for the calculation of its credit risk. This will enhance risk management and customer service. In the medium term, this step could also improve the capital ratios.

On behalf of and together with institutional investors (pension funds, insurers), Achmea Investment Management creates more capital for later. It does this through robust portfolio advice, best-in-class investment solutions, impact investing and sophisticated risk management.

Achmea Pension Services administers pensions for company pension funds, occupational pension funds, voluntary sectoral pension funds, Centraal Beheer Algemeen Pensioenfonds (APF) and the CB PPI. On top of this, Achmea Pension Services supports pension funds with legal, actuarial and communications advice.

The new pensions system has our full attention. We guide our customers - employers and pension funds - in the transition to the Future Pensions Act (WTP). Furthermore, together with our customers we are taking advantage of the new law to ensure that members are provided with detailed information.

Retirement Services Netherlands segment

Daphne de Kluis

Member of the Executive Board and responsible for Retirement Services

From Retirement Services we serve institutional parties, employers and retail customers. All these groups face changes arising from the implementation of the Future Pensions Act (Wtp) as of 1 July 2023. Together with our customers, we have made thorough preparations for the transition to the new pension system. These involve selecting systems and drawing up transition plans. The first pension fund successfully switched to the selected IT system in early 2024. We have also taken advantage of the additional flexibility under the Wtp for customers to accrue individual savings for their retirement. As part of this, we have developed new 3rd pillar products and launched them on the market via Centraal Beheer. The transition is a complex process and will take several years to complete. It demands predictability and stability so that is remains feasible for all the stakeholders involved. It is important that policymakers are aware of this.

We made sound progress on Customer Due Diligence in 2023. This included setting up a single Achmea KYC (Know Your Customer) centre that will also be used by the individual Retirement Services units.

Achmea Bank has achieved a very good operating result thanks to its continuous strategic focus on portfolio growth and efficiency. Together with Centraal Beheer, we are focused on further improving our customer journeys and unburdening our retail customers.

Operational result of Retirement Services increased to € 47 million. This is partly due to an increase in Assets under management and growth in our mortgage portfolio as mentioned before.

Syntrus Achmea invests in real estate and mortgages on behalf of pension funds and other institutional investors. Since 1 June 2023, the real estate company has operated under the new (trading) name of Achmea Real Estate. Achmea Real Estate is working with Zilveren Kruis on initiatives relating to lifetime homes in the Netherlands.

Centraal Beheer PPI offers sustainable and modern group pension solutions. Our aim is for everyone to have a flexible and good pension. Achmea plans to strengthen the CB PPI considerably in coming years.

FINANCIAL PERFORMANCE SEGMENTS

We use our extensive distribution network and work closely with the professional pension consultancy market. At the same time, the CB PPI has set itself the goal of being the most expert, engaged and trusted pension partner in 2027.

Operational result

The operational result for Retirement Services improved from € 3 million negative in 2022 to € 47 million in 2023. Most of this derives from the growth in the balance sheet at Achmea Bank, in both the mortgage and savings portfolios, and a higher interest margin and improved return. This includes the further investments in the organisation and systems for the implementation of the new pension legislation.

Achmea Bank

The operational result for Achmea Bank over 2023 increased by € 64 million to € 75 million (2022: € 11 million).

The reason for this was a higher interest result (+€ 81 million). This positive development is due to the expansion of the mortgage portfolio caused by new inflow, a lower rate of early repayments compared to previous years and growth in the volume of outstanding savings.

The development of ECB interest rates has a positive impact on the interest result at Achmea Bank.

The higher market interest rates have caused a shift on the mortgage market towards shorter fixed-rate periods on mortgages, boosting the growth of Achmea Bank's mortgage portfolio. Centraal Beheer mortgage production amounted to € 2.0 billion, the same as last year's production (2022: € 2.0 billion). Moreover, the total portfolio grew to € 14.4 billion (2022: € 12.4 billion) via € 0.4 billion in production via external mortgage platforms (2022: € 0.1 billion) and the acquisition of € 0.8 billion in mortgage portfolios (2022: € 0.9 billion). The merger of mortgage platforms within Achmea is the next step in further increasing efficiency in the mortgage process.

In 2023, Achmea Bank announced partnerships with asset manager DMFCO and insurer a.s.r. that will enable further implementation of its growth and diversification strategy for mortgages. Over the next three years, in total Achmea Bank aims to invest an extra € 1.5 billion and € 3.0 billion respectively in mortgages under these partnerships. In addition to yielding more economies of scale, this will enable us to achieve growth in retail savings and additional services via the CB platform.

In the past year, Centraal Beheer has adopted a successful pricing position for savings, resulting in the retail savings portfolio at Achmea Bank growing by € 1.4 billion to € 8.6 billion.

The balance sheet growth is reflected in the capital position and remains solid at a Common Equity Tier 1 ratio of 16.9% as of year-end 2023 (year-end 2022: 18.2%).

Achmea Investment Management

The operational result at Achmea IM was € 0 million in 2023 (2022: € 1 million negative). Revenue amounted to € 114 million in 2023 (2022: € 106 million). This increase is partly due to the onboarding of new customers, including the CB PPI in mid-2023, and expanding services to existing customers.

Operating expenses increased by € 7 million to € 114 million (2022: € 107 million) because of project investments in the new operating model and implementation of the new pension system. As a leading Dutch asset manager, Achmea IM is well positioned to guide its customers in the transition to the new pension system.

As of year-end 2023, Achmea IM's solvency ratio is solid at an ICARAP ratio of 163% (year-end 2022: 187%).

Assets under management totalled € 190 billion as of year-end 2023 (year-end 2022: € 166 billion). This increase can be attributed on the one hand to new inflow of about € 9 billion and on the other to positive financial market developments that led to an increase of € 15 billion.

In 2023 Achmea IM again earned an outperformance on most of its investments on behalf of its customers. Demand from customers for sustainable and impact investing matches up seamlessly with the goals of Achmea IM. In 2023, a 7% reduction was achieved in carbon emissions from the Achmea IM investment funds and this means that Achmea IM is on track for its long-term target of a 55% reduction in 2030.

Achmea IM has been rated by the UK-based ShareAction as the best Dutch asset manager in terms of voting behaviour in favour of sustainability resolutions at shareholders' meetings. Out of a total of 69 assessed asset managers worldwide, Achmea IM finished in 2nd position overall.

FINANCIAL PERFORMANCE SEGMENTS

Achmea Pensioenservices

The operational result at Achmea Pension Services was € 35 million negative in 2023 (2022: € 26 million negative).

Revenue increased by € 3 million thanks to indexation and autonomous growth, resulting in revenue of € 55 million in 2023 (2022: € 52 million).

Conversely, expenses increased by € 12 million from investing in the AllVida platform and preparation for implementing the new pension legislation. In addition, Achmea Pension Services strengthened the organisation in the second half of 2023 for the purposes of implementing the new pension system.

Achmea Pension Services selected IG&H’s AllVida administration platform in 2023. Ahold Delhaize Pensioen was the first customer to successfully switch to this new platform in January 2024. This milestone not only signals important progress but also serves as an example for all the customers that will make the switch to the AllVida platform in the coming months.

Syntrus Achmea Real Estate & Finance

The operational result at Syntrus Achmea was € 9 million in 2023 (2022: € 12 million). Total revenue decreased by € 2 million to € 135 million (2022: € 137 million). The increase in revenue in the mortgage business caused by higher volumes was unable to fully offset the downturn in revenue in the real estate business as a result of lower valuations.

Despite the challenging property market, Achmea Real Estate succeeded in completing 1,350 homes and initiating construction of 2,500 homes on behalf of its institutional investors.

Assets under management in real estate and mortgages amounted to € 41.2 billion as of year-end 2023 (year-end 2022: € 40.5 billion).

The mortgage business successfully migrated to a single mortgage chain in 2023. This has helped to create a more cost-efficient organisation and lower expenses to € 127 million (2022: € 129 million).

At an ICARAP ratio of 221%, the capital position is solid (year-end 2022: 199%).

Sustainability is an important theme for Achmea Real Estate: the company is well ahead of schedule on reducing the carbon emissions from houses from its portfolio. Carbon emissions are now 52% lower than they were in 1990. The Dutch government has set a reduction target of 55% in 2030. The Dutch property funds and portfolios again received the maximum 5-star rating from the Global Real Estate Sustainability Benchmark.

Centraal Beheer PPI

In 2023 the focus was on integrating the CB PPI into the Achmea organisation in terms of policy and operations, in addition to strengthening the workforce. The operational result was € 2 million negative (2022: € 1 million) due to one-off integration expenses.

The PPI’s focus is on employers that want to offer their employees a Defined Contribution (DC) pension scheme with corresponding wealth accumulation. The new pension legislation presents the CB PPI and Achmea with opportunities for growth in this defined contribution market.

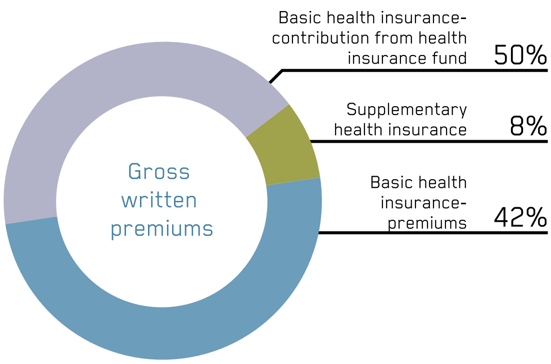
The new business has grown over the past year following completion of the acquisition in 2022. We have expanded and strengthened the market reach at the pension consultancy bureaus we work with. This has led to growth in the number of new business applications and newly concluded contracts as of the start of 2024.

CB PPI’s customers now comprise approximately 924 employers and about 170,000 members from small and medium-sized enterprises and the major corporates market. Assets under management totalled € 3.8 billion as of year-end 2023 (year-end 2022: € 3.2 billion).

FINANCIAL PERFORMANCE SEGMENTS

Health Netherlands

GROSS WRITTEN PREMIUMS	OPERATIONAL RESULT	COMBINED RATIO BASIC HEALTH INSURANCE	COMBINED RATIO SUPPLEMENTARY HEALTH INSURANCE
€15,571 MILLION	€187 MILLION	100.3%	92.8%



RESULTS

(€ MILLION)

	2023	2022*	Δ
Operational insurance service result	**32**	**184**	**-83%**
Revenue from insurance-related services	15,553	14,739	6%
Expenses from insurance-related services	-15,520	-14,555	n.m.
Insurance service result from reinsurance contracts	-1	0	0%
Net operational financial result from (re)insurance activities	147	3	n.m.
Other results	8	2	n.m.
Operational result	**187**	**189**	**-1%**
Gross written premiums	15,571	14,790	5%

BASIC HEALTH	2023	2022*	Δ
Claims ratio	98.7%	97.8%	0.9 pp
Expense ratio	1.6%	1.8%	−0.2 pp
Combined ratio	**100.3%**	**99.6%**	**0.7 pp**

SUPPLEMENTARY HEALTH	2023	2022*	Δ
Claims ratio	83.0%	79.1%	3.9 pp
Expense ratio	9.8%	10.2%	−0.4 pp
Combined ratio	**92.8%**	**89.3%**	**3.5 pp**

	31.12.2023	31.12.2022	Δ
Solvency ratio Achmea Zorgverzekeringen N.V.	162%	165%	-3% pp

n.m.: not meaningful

* Recalculated in accordance with IFRS 9/17 and new definition of operational result

FINANCIAL PERFORMANCE SEGMENTS

General

With our health care activities we are market leader in the Netherlands. Zilveren Kruis, De christelijke zorgverzekeraar, De Friesland, Interpolis and FBTO offer our customers basic and supplementary health insurance. The Eurocross Assistance Company provides healthcare services worldwide.

The number of policyholders with basic health insurance in 2024 has grown by over 400,000 to 5.3 million. This gives Achmea an estimated market share of 30% in 2024 (2023: 28%) and strengthened the market leading position.

We are committed to sustainable and accessible healthcare. Together we use more healthcare services in the Netherlands and face a shortage of health professionals. This is why Zilveren Kruis and Achmea's other health insurance brands are working to bringing about the necessary changes in healthcare. This includes innovations, preventing the need for (more) care and preventively improving general health. We are doing this for our individual customers, but also in collaboration with our partners, including healthcare providers, employers and municipalities.

We can also contribute to sustainability in healthcare. The healthcare sector is responsible for more than 7% of carbon emissions in the Netherlands. That is why various healthcare organisations worked together in 2022 on the creation of a new Green Deal Sustainable Care. It sets goals for improving health and goals to reduce carbon emissions, the use of raw materials and the environmental impact of medication. Zilveren Kruis wants to facilitate healthcare providers in the core regions where it is the market leader to realise the Green Deal ambitions. In doing so, we focus on specific areas such as reducing carbon emissions by making healthcare real estate more sustainable, reducing waste streams from the Intensive Care Units and Operating Rooms of hospitals and combating the waste of medicines.

Furthermore, in its role as the biggest health insurer in its core regions Zilveren Kruis is involved in guiding the sector towards the healthcare of the future.

Integral care agreement

Together with healthcare providers and authorities, in eleven regions we are heading the drive to inventory and optimise regional healthcare under the Integral Care Agreement (IZA). We ensured delivery of regional inventories and regional plans in the regions in which we are market leader as well as those in which we are the second biggest health insurer. This was done in coordination with the principal stakeholders, such as care providers, municipalities, residents and the social domain. We will set to work on the basis of these regional plans to realise the required regional transitions.

Health Netherlands segment

Robert Otto
Member of the Executive Board and responsible for Health

Together with 14 parties in healthcare, last year a promising start was made on reforming the healthcare landscape, as described in the Integral Care Agreement (IZA). Satisfactory and necessary steps have been taken. Jointly compiled regional inventories (Regiobeelden) clearly indicate where we need to act in each region. The goal is to match healthcare services as closely as possible to demand in all the regions. Given the growing demand for healthcare and staffing shortages, there is mounting urgency about organising care as efficiently as possible and bringing healthcare closer. We therefore advocate continuing on the pathway set out in the Integral Care Agreement.

The number of customers we serve via our brands Zilveren Kruis, De Friesland, Interpolis, FBTO and De christelijke zorgverzekeraar increased significantly as of 2024. We have consequently strengthened our position as market leader. The strong digital support we give our customer processes means we can process large numbers of claims quickly and accurately. This enables us for example to handle and pay claims rapidly and realise a high level of customer satisfaction.

Operational result

The operational result at Health Netherlands totalled € 187 million in 2023 (2022: € 189 million). An increase in the net operational financial result from (re)insurance activities was offset by a decrease in the operational insurance service result.

The net operational financial result from (re)insurance activities grew to € 147 million (2022: € 3 million), mainly owing to the higher yields and wider spreads on fixed income investments.

Basic health insurance

The operational result from basic health insurance amounted to € 79 million over 2023 (2022: € 64 million). The insurance service result decreased to € 54 million negative (2022:

FINANCIAL PERFORMANCE SEGMENTS

€ 53 million). The net operational financial result from (re)insurance activities grew to € 122 million (2022: € 2 million).

The operational insurance service result in the current underwriting year was € 0 million (2022: € 69 million). Revenue from insurance-related services is higher than last year because of higher premiums and a higher contribution from the Health Insurance Equalisation Fund. Expenses from insurance-related services for the current year are also higher due to increased healthcare costs caused by healthcare costs inflation and higher personnel costs at healthcare providers. In addition, a loss component of € 15 million was formed for a loss-making 2024 premium

The result from previous years was € 54 million negative (2022: € 16 million negative). The lower result is mainly due to new insights into the effect of the solidarity schemes related to Covid-19.

The deterioration in the insurance service result for the current year also translates into a deterioration in the combined ratio of basic health insurance to 100.3% (2022: 99.6%).

Supplementary health insurance

Supplementary health insurance policies accounted for € 103 million of the operational result from the health business (2022: € 124 million). The insurance service result decreased to € 86 million (2022: € 131 million). The net operational financial result from (re)insurance activities amounted to € 25 million (2022: € 1 million).

Of the insurance service result, € 88 million relates to the 2023 underwriting year (2022: € 128 million). There was a negative result of € 2 million from previous underwriting years as well (2022: € 3 million). The result from the current underwriting year is lower due to the smaller number of policyholders in 2023 and higher healthcare costs, especially Paramedic care (mainly physiotherapy).

The percentage of basic health insurance policyholders with supplementary coverage (supplementary and/or dental cover) stands at 79% in 2023 and is the same as in 2022. The combined ratio of supplementary health insurance is 92.8% (2022: 89.3%). This increase is mostly due to higher healthcare costs.

Other (healthcare offices and services)

The Other category relates to healthcare offices that implement the Long-term Care Act (Wlz) and the healthcare service companies. The healthcare service companies, particularly the Eurocross Assistance Company, aim to assist customers if they urgently require healthcare when abroad, travelling in the Netherlands or at home, and to help people to improve their vitality at work and in everyday life.

The operational result improved in 2023 versus last year and stood at € 5 million (2022: € 1 million). This is largely thanks to higher revenue at the Eurocross Assistance Company and higher reimbursements from the government under the Long-term Care Act.

Gross written premiums

Gross written premiums from basic and supplementary health insurance totalled € 15,571 million, 5% higher than last year (2022: € 14,790 million). Gross written premiums from basic health insurance amounted to € 14,373 million (2022: € 13,567 million). The increase of 6% is the result of higher premiums and a higher contribution from the Health Insurance Equalisation Fund versus a smaller number of policyholders.

Gross written premiums from supplementary health insurance declined by 2% to € 1,198 million (2022: € 1,223 million). The decrease in premiums is primarily due to the smaller number of policyholders in 2023.

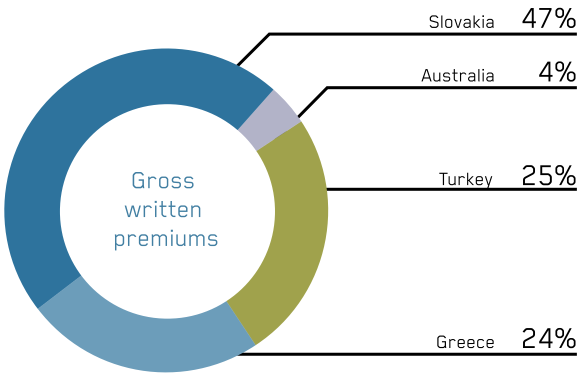
FINANCIAL PERFORMANCE SEGMENTS

International activities

GROSS WRITTEN PREMIUMS
€1,756 MILLION

OPERATIONAL RESULT
€6 MILLION

ACTIVE FOREIGN ESTABLISHMENTS
5



RESULTS (€ MILLION)

	2023	2022*	Δ
Operational insurance service result	**-7**	**24**	**n.m.**
Revenue from insurance-related services	1,564	1,311	19%
Expenses from insurance-related services	-2,153	-1,295	n.m.
Insurance service result from reinsurance contracts	582	8	n.m.
Net operational financial result from (re)insurance activities	52	29	79%
Other results	-39	-73	n.m.
Operational result	**6**	**-20**	**n.m.**
Gross written premiums	1,756	1,453	21%

GROSS WRITTEN PREMIUMS PER COUNTRY	2023	2022	Δ
Slovakia	824	688	20%
Greece	422	391	8%
Turkey	441	315	40%
Australia	69	59	17%

n.m.: not meaningful

** Recalculated in accordance with IFRS 9/17 and new definition of operational result*

General

Achmea’s international activities focus on non-life and health insurance products, distributed via the online (direct) and banking channels. We want to grow further internationally by exporting knowledge and digital expertise gained in the Netherlands to other countries.

Operational result

The operational result totalled € 6 million, € 26 million higher than in 2022 (€ 20 million negative).

The operational result in Slovakia increased to € 14 million (2022: € 0 million) thanks to portfolio growth, a lower cost of claims, lower expenses and a higher net operational financial result. The result at Health was in line with that of last year.

The operational result in Greece grew by € 5 million to € 2 million (2022: € 3 million negative) due to improvement measures at Health, portfolio growth, the recovery on the motor market and improvement measures at Non-Life.

FINANCIAL PERFORMANCE SEGMENTS

The cost of claims arising from the wildfires and storms Daniel and Elias had a total impact of € 16 million on the operational result of Greece.

Despite the higher cost of claims due to inflation, lower margins on motor liability insurance and the earthquake in February 2023, the operational result in Turkey climbed to € 4 million (2022: € 1 million). The higher operational result can be attributed to lower expenses for hyperinflation and a higher net operational financial result.

Portfolio growth and a lower cost of claims from weather-related catastrophes led to an increase of € 5 million in the operational result in Australia.

The operational result in Canada was in line with last year.

Gross written premiums

Gross written premiums increased by 21% to € 1.8 billion (2022: € 1.5 billion) driven by growth in the number of clients and price adjustments.

In Slovakia, gross written premiums in the health business grew by 23% thanks to growth in the number of customers and a higher contribution from the government. Premiums at the non-life business grew by 5% as a result of the acquisition of the Groupama portfolio, growth in the motor portfolio, growth in the commercial portfolio and the revival in the travel industry and in turn in travel insurance.

In Greece, premiums grew by 8% thanks to an upturn in the number of customers. The health business realised 9% growth in gross written premiums.

Premium growth in Turkey was 235% in local currency, when converted into euros this was 40%. This growth was driven by price adjustments and a higher number of customers.

In Australia, gross written premiums grew by about 22% in local currency thanks to growth in the number of customers and price adjustments. When converted to euros, this translates into a growth rate of 17%.

International segment

Robert Otto

Member of the Executive Board and responsible for International

Looking back on 2023, my thoughts first turn to the terrible earthquake in Turkey and Syria that had an enormous impact on customers and employees of our Turkish subsidiary Eureko Sigorta. And of course later in the year there were severe storms in Greece. In these situations we were able to help our customers and provide assistance where it was needed.

As in 2022, we saw robust growth in overall premium volume in 2023. We can be proud of that. An important tool in our growth strategy for the future is formed by our online customer platforms for property & casualty insurance, as we do from Non-Life with our InShared platform in Germany.

FINANCIAL PERFORMANCE SEGMENTS

Other activities

OPERATIONAL RESULT OTHER ACTIVITIES	OPERATIONAL RESULT ACHMEA REINSURANCE	GROSS WRITTEN PREMIUMS ACHMEA REINSURANCE
€-129 MILLION	€21 MILLION	€403 MILLION

RESULTS (€ MILLION)

	2023	2022*	Δ
HOLDING			
Operational result Achmea Reinsurance Company	**21**	**-8**	**n.m.**
Gross other income	85	18	n.m.
Operating expenses	130	102	27%
Interest and similar expenses	76	63	21%
Other expenses	29	57	-49%
Operational result Holding company	**-150**	**-204**	**n.m.**
Operational result Other activities	**-129**	**-212**	**n.m.**

ACHMEA REINSURANCE COMPANY			
Insurance service result	**15**	**-8**	**n.m.**
Revenue from insurance-related services	321	294	9%
Expenses from insurance-related services	-221	-308	n.m.
Insurance service result from reinsurance contracts	-85	6	n.m.
Net operational financial result from (re)insurance activities	13	5	160%
Other results	-7	-5	40%
Operational result Achmea Reinsurance	**21**	**-8**	**n.m.**
Gross written premiums	403	377	7%

n.m.: not meaningful

* Recalculated in accordance with IFRS 9/17 and new definition of operational result

General
Other activities include the results of Achmea Reinsurance and shareholder expenses, including a part of the expenses from the holding company and shared service activities that are not charged to the operating activities, as well as the financing charges for the bonds issued by Achmea.

Operational result
The operational result amounted to € 129 million negative, an improvement of € 83 million compared to last year (2022: € 212 million negative). This increase was partly due to higher investment income and the release of a provision for variable remuneration.

The operational result for Achmea Reinsurance Company ("Achmea Reinsurance") increased to € 21 million in 2023 (2022: € 8 million negative). This was driven by price adjustments and improved margins, higher investment income and lower claims.

Achmea Reinsurance Company
As Achmea's reinsurance expert, Achmea Reinsurance has three roles: consultant, purchaser and risk carrier. In its role as group reinsurer and risk carrier, Achmea Reinsurance provides reinsurance coverage to the group's Dutch and foreign insurance entities. In mid-2023, Achmea Reinsurance decided to stop taking on the P&C claims risk of third parties in order to enhance the focus on its group role, restrict volatility and improve the return on capital.

The operational result climbed to € 21 million in 2023 (2022: € 8 million negative) owing to a higher insurance service result and higher net operational financial result.

In 2023, the operational insurance service result increased to € 15 million (2022: € 8 million negative) because of a lower impact from catastrophe-related claims, especially on our reinsurance portfolio for third-party risk, and also implemented price adjustments and margin improvements.

FINANCIAL PERFORMANCE SEGMENTS

In addition the net operational financial result from (re)insurance activities grew to € 13 million in 2023 (2022: € 5 million) due to higher interest rates.

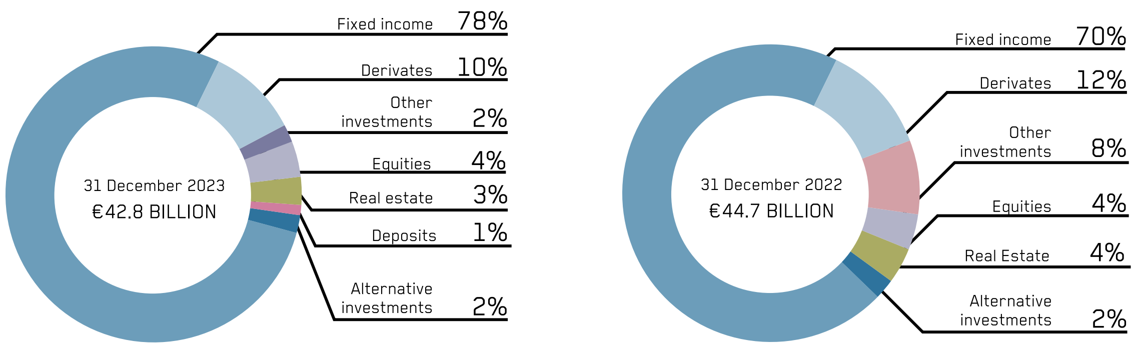
The other results amounted to € 7 million negative (2022: € 5 million negative).

Gross written premiums totalled € 403 million in 2023, an increase versus last year (2022: € 377 million). This is primarily due to a hardening of the reinsurance market.

FINANCIAL PERFORMANCE SEGMENTS

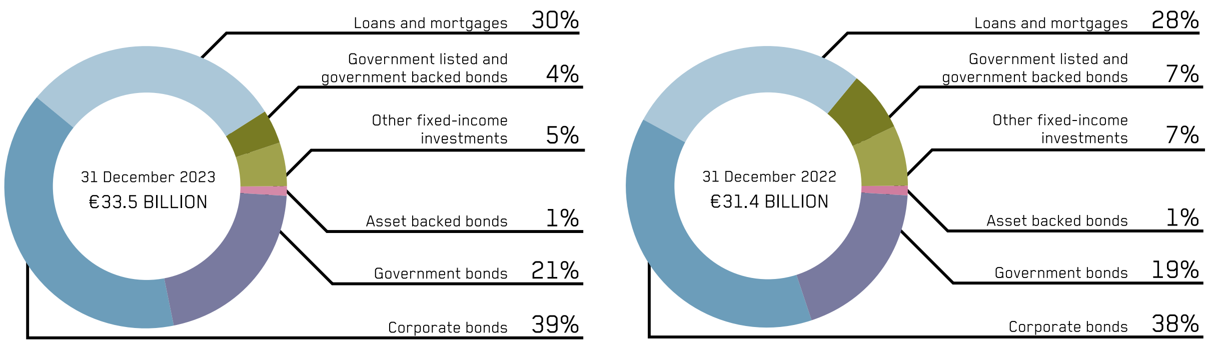
Investments

TOTAL INVESTMENT PORTFOLIO[1,2]



1 The year report shows fixed-income funds as part of the fixed-interest portfolio and real estate funds as part of real estate. In the financial statements, these investment categories are shown as part of equities and similar investments.
2 The total investments portfolio contains Investment property and Investments own risk (part of investments from insurance and other activities) as included in the consolidated financial statements 2023.

RELATIVE ALLOCATION FIXED-INCOME PORTFOLIO



Fixed income portfolio

The value of our fixed income portfolio increased by 7% in 2023 to € 33.5 billion (2022: € 31.4 billion). The increase is mainly due to increases in fair value as a result of sharply lower interest rates and incoming credit spreads in 2023.

The share of government bonds, government-related bonds and state-guaranteed loans within the fixed income portfolio decreased by 1%-point to 25% (2022: 26%) and stood at € 8.5 billion at the end of 2023 (2022: € 8.2 billion). By far the largest part of the portfolio is invested in Dutch government bonds. In addition, we have large allocations to German and French government bonds and we invest in Spanish and Italian government bonds, among others.

In 2023, the residential mortgage portfolio increased to € 8.3 billion (2022: € 7.7 billion). Despite the increased spread, lower interest rates resulted in a positive value development of € 193 million.

Our fixed income portfolio is prudently invested. The majority, 69% of the portfolio, has an Investment Grade rating (BBB or higher) (2022: 71%). The unrated fixed income securities of 30% mainly relate to direct mortgages (2022: 28%).

FINANCIAL PERFORMANCE SEGMENTS

Equity & Alternative investments

At the end of 2023, our listed equities amounted to € 1,6 billion (2022: € 1.9 billion), a share of approximately 3.6% of our total investment portfolio. In addition to the listed equity portfolio, we also manage a portfolio of alternative investments such as private equity, hedge funds, infrastructure and commodities. Despite distributions received, this portfolio remained constant at € 0,8 billion at the end of 2023 (2022: € 0.8 billion) due to a positive return.

Real estate portfolio

Our real estate portfolio decreased slightly in 2023 compared to 2022 levels and at the end of 2023 it amounted to approximately 3.4% of our total investment portfolio. At the end of 2023, our real estate portfolio consisted of direct real estate investments of € 0.73 billion (2022: € 0.85 billion), of which 87% were residential, 2% retail and 11% offices. Our real estate portfolio also includes € 740 million (2022: € 713 million) in indirect real estate investments. The direct real estate portfolio shows a negative revaluation of € 101 million for 2023. In addition, approximately € 20 million was sold and € 8 million was purchased.

TOP 5 INVESTMENTS IN GOVERNMENT BONDS

(€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022	RATING
The Netherlands	2,012	2,829	AAA
France	1,030	547	AA
Spain	880	581	A-
Germany	704	444	AAA
Italy	397	308	BBB

DISTRIBUTION OF FIXED-INCOME PORTFOLIO BY RATING

	31 DECEMBER 2023	31 DECEMBER 2022
AAA	18%	25%
AA	12%	9%
A	21%	18%
BBB	18%	19%
<BBB	1%	1%
No rating	30%	28%
Total	**100%**	**100%**

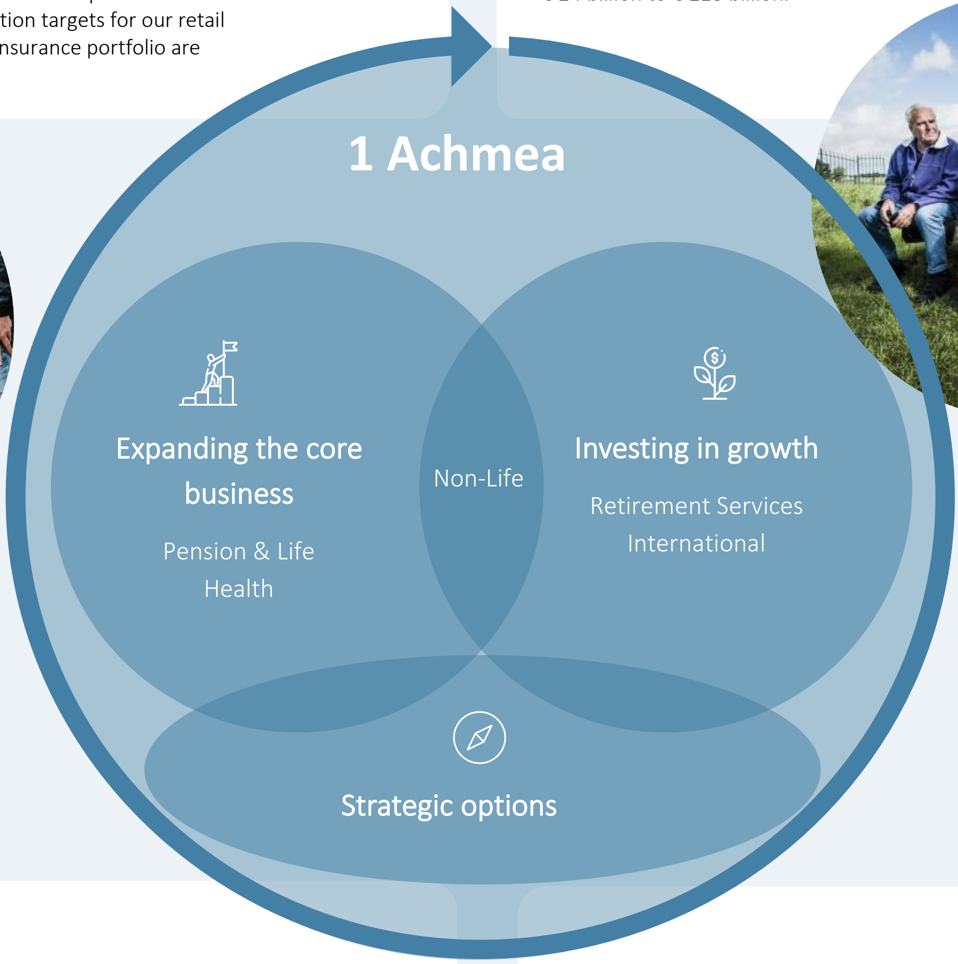
SPOTLIGHT: MAIN DEVELOPMENTS IN PROGRESS ON STRATEGY

1 Achmea

* Steps taken in migration to cloud (approx. 45% of systems now operate on Microsoft Azure Cloud).
* Phasing out of legacy IT systems.
* Implementation of sourcing policy, e.g. for IT activities collaborating with 8 IT partners in 11 different countries. This increases access to IT capacity and expertise.
* Revision of recruitment strategy.
* Simplification of employee participation: from 13 to 5 Works Councils.
* Issue of Tier 2 capital and cancellation of preference shares.
* Achmea Know Your Customer competence centre started.
* Climate Transition Plan updated and new emission reduction targets for our retail motor vehicle insurance portfolio are included.

Invest in growth

* Initiated implementation of the new Future Pensions Act.
* Prepared realisation of new pension platform, including by selecting AllVida.
* Growth in international activities, including roll-out of Inshared in Germany with nearly 32,000 customers as of year-end 2023.
* Innovation Hub started for product development.
* Mortgage production of over € 4 billion both organically and through partnerships with third parties.
* Assets under Management by Achmea Investment Management and Achmea Real Estate increased by € 24 billion to € 218 billion.



Expanding the core business

* Growth of over 400,000 customers at Health in the Netherlands to 5.3 million.
* Gross written premiums at Non-Life Netherlands increased by 4% to over € 4 billion.
* Partnership between Rabobank and Achmea further strengthened in various areas.
* Number of retail customers for Centraal Beheer Financial Services grew by 7% to 450,000.
* About 50% of the insurance claims made by our retail customers are submitted online.
* Approximately 95% of the invoices from our health insurance policies (often via healthcare providers) are submitted online.

Strategic options

* Strong partnerships with Garanti Bank in Turkey and 365Bank/Slovakia Post.
* Acquisition of HEMA portfolio via InShared.
* Further integration of PPI within Achmea organisation.

Together, we solve major social issues in the domains

Bringing healthcare closer | Smart mobility | Carefree living & working | Income for today and tomorrow

BRINGING HEALTHCARE CLOSER

OUR SOLUTION IN THIS DOMAIN

From a broad perspective on health we encourage and help our customers to live and work more healthily. If policyholders require healthcare, wherever possible we want them to be able to receive it in familiar surroundings. Digitisation can offer support in this regard.

AFFORDABLE HEALTHCARE, ORGANISED CLOSE TO HOME

As the largest health insurer in the Netherlands, Achmea is by its nature committed to social sustainability. The ageing population, rising expenses and tight job market are placing even more pressure on medical personnel and on informal care: the healthcare system is facing enormous challenges. To transform the healthcare landscape, as an insurer and together with the government, healthcare providers and customers, we need to keep healthcare affordable, staffable and accessible. In bringing healthcare closer to everyone, we aim not just to keep care affordable but also to arrange care and improve general health by focusing on the issues listed below.

Social issue	Ambition
Healthier living and working environment	We are contributing to the health transition in the Netherlands. In 11 of the 31 core regions in which Zilveren Kruis is market leader, we work intensively with the social domain and healthcare providers. At the same time, we are creating a healthy working environment for employees by supporting employers in this.
Organising healthcare close to home and digitally	We are contributing to the acceleration in digital care by helping patients to opt for this: of all care that can take place digitally, 25% takes place digitally when this has added value for the customer.

As a market leader in healthcare and part of Achmea, Zilveren Kruis works to pay and arrange healthcare and improve health from a broad perspective. Together with social partners and healthcare providers, we are collaborating on implementing the agreements in the Integral Care Agreement (IZA), Healthy and Active Lifestyle Agreement (GALA), Housing, Support and Care for Senior Citizens (WoZo) programme and the Green Deal on Sustainable Healthcare. For instance, the agreements were further addressed and put into practice in Amsterdam Vitaal & Gezond (Vital & Healthy). In 2023, we also compiled regional inventories with our partners that, in line with what was agreed in the IZA, have been developed into regional plans with healthcare providers and municipalities in all 11 core regions. Zilveren Kruis contributes to a healthy living and working environment for employees by seeking health management solutions together with employers. We do this by, for instance, offering a variety of solutions for prevention and vitality via group schemes. In 2023, we served over 2 million customers via group schemes, including about 600,000 at the health group schemes we collaborate with most intensively. In addition, in 2023 Zilveren Kruis installed sunscreen posts at dozens of locations in the Netherlands as part of our contribution to preventing skin cancer.

Digitisation will play an essential role in rising to the challenges faced by the healthcare system. Digital healthcare and good health are not always accessible to all, while they can improve healthcare, reduce pressure on the healthcare sector and cut costs. With the aid of apps such as the Zilveren Kruis Wijzer (health) app and Dokter Appke, we help to answer customers' health-related questions while at the same time reducing the workload in the health profession. Here, we use Eurocross for a personal alarm system and other remote care. We monitor how customers rate this digital care and note that customers feel they have received proper assistance.

OUR SOLUTION IN THIS DOMAIN

In the enormous mobility transition from ownership to use and from fossil to green, via our services and solutions we want to offer consumers and businesses ever greater convenience, reliability, personalised service and speed. We do so with the aid of data and new technology.

SAFE TRAVEL FROM A TO B

In the mobility transition from ownership to use and from fossil to green, via our insurance and services we want to offer consumers and businesses convenience, reliability, personalised service and speed. Road safety continues to be a priority here. A permanent change in habits is required to prevent material damage, personal injury and psychological harm. For this reason, within the mobility theme we focus on the social issue surrounding fatality-free road safety.

Social issue	Ambition
Road safety	Interpolis contributes to road safety by increasing awareness, offering options for action and by helping, together with partners, to reduce the frequency of claims. Our goal is for 25% of our retail customers to use our prevention services and advice.

In order to reduce the number of road traffic fatalities, Achmea is using a variety of initiatives to change road users' habits. As a large insurer, including of (motor) vehicles, Achmea is in a good position to have an impact. Interpolis has focused on reducing distractions to road users while in traffic and on road safety since 2016. We do this by making young people aware of the risk involved in using a mobile phone while cycling, for instance via the MisNiks campaign. For motorists, Interpolis developed the AutoModus app to ensure they are not distracted by their mobile phone. This app was downloaded 15,000 times in 2023. FBTO offers customers the option of receiving feedback on their driving via an app. The app assesses your driving and the better your score, the bigger the discount you receive. A similar function is now also being developed for the AutoModus app, the RijCoach (driving coach). The RijCoach will go live in early 2024. Via these apps we aim to encourage road safety and reduce the number of traffic accidents.

On National Cycling Helmet Day we organised the conference 'Weg van Verleiding (away from temptation)'. We brought together road safety experts from the Netherlands and abroad to brainstorm on how we can tempt and encourage residents of the Netherlands into wearing cycling helmets. These reduce the risk of (brain) injury in the event of a fall. We conduct these activities based on our role as National Relay for road safety in the Netherlands as appointed by the European Commission. Interpolis employees also handed out free bike lights at Tilburg railway station at the end of November to help cyclists on their way safely and visibly. This is aligned with Interpolis's mission to reduce the number of accidents.

OUR SOLUTION IN THIS DOMAIN

The Dutch National Climate Agreement involves an enormous sustainability transition for both existing and new residential and commercial properties. People want to be able to live and work in a comfortable and safe environment. Via innovative services, partly together with partners, and financial support, we stimulate making living and working environments more sustainable.

CAREFREE LIVING & WORKING: COMFORTABLE, SAFE AND CLIMATE-NEUTRAL

Via our brands we are focusing on long-term employability, making homes more sustainable and society more resilient in order to create a safer home environment. As an asset manager, as an investor and as an insurer, we are in a position to contribute to these issues.

Social issues	Ambition
Long-term employability and job satisfaction	Centraal Beheer is contributing to increasing job satisfaction by enabling employees to invest in themselves, for example via the Lekker Bezig (keep busy) platform.
Making homes more sustainable	Centraal Beheer and Interpolis, together with partners, are making it easier for residents of the Netherlands to make their homes more sustainable.
Safety in the home and safe living habits	Interpolis contributes to increasing resilience in society by using smart insights and affordable and accessible propositions to improve safety in the home and in doing so reduce damage and loss.

The tight job market requires special attention to be paid to workload, job mobility, agility and good physical and mental but also financial health. For this reason, Centraal Beheer is working on a platform to help employers increase the long-term employability of their employees: Lekker Bezig. Via this platform, employees have access to a range of training and educational courses and interventions relating to aspects such as health and work-life balance.

In order to achieve the climate goals, 1.5 million homes need to be made more sustainable in 2030. Via our sustainable residential services and financial solutions we aim to contribute to the social issue surrounding sustainable homes. Centraal Beheer's 'Je huis verduurzamen' (sustainable home) scan shows people the options for making their homes more sustainable. New services for helping people with this are being added by Centraal Beheer all the time, for example for buying a heat pump.

On top of this, we help owners associations (VvEs) to make apartments more sustainable, such as by drawing up a sustainability plan. In 2023, Centraal Beheer opened its Klimaatwinkel (climate store), where Achmea employees can spend the climate budget that forms part of the collective labour agreement. The Klimaatwinkel is now open for other customers too.

A safer society and a greater sense of security and trust create a society in which people live together sustainably. Via a range of barometers (InbraakBarometer for burglary and AutodiefstalBarometer for car theft) Interpolis aims to raise awareness of the risk of burglaries and car break-ins and theft at postcode level and provide tips on how to reduce the risk. People can also sign up for a Woninginbraakalert (home break-in alert), in which they receive a message when the break-in risk in their area rises as well as tips on what to do. This year we launched the revised Veiligheidsmeter (security meter), which enables customers to improve security in and around their homes. Those customers whose properties are secure receive a discount on their home contents and property insurance.

INCOME FOR TODAY AND TOMORROW

OUR SOLUTION IN THIS DOMAIN

With insight, oversight and comprehensible products, as a coach we help people make prudent financial decisions throughout their lives so that they have the financial resources to overcome setbacks, not just now but in the future as well.

INCOME FOR TODAY AND TOMORROW: EVERYONE IN THE NETHERLANDS FINANCIALLY FIT AND EMPOWERED

We contribute to this domain in our role as an insurer, asset manager and provider of pension administration services. We want to help people make prudent financial choices with insight, oversight and comprehensible products.

Social issue	Ambition
Informed pension decisions	We help employers and employees to make informed decisions about the new pension system and their own pensions by providing them with detailed information and offering them inspiration.

Our aim is to contribute to the practical implementation of the new pension system in the Netherlands. One way we do this is by providing the most comprehensive range of pension solutions possible to employers. We introduced a new investment service in 2023. Centraal Beheer customers can use this to accrue assets for their retirement, not only via tax-friendly savings but also tax-friendly investments. This is an option within the 3rd pillar pension product Additional Pension Accrual (formerly Additional Pension Savings). Our 4th pillar pension product for pension accrual, an investment proposition, went live in May too.

We are now taking steps to further integrate the Centraal Beheer Premium Pension Institution (PPI) with the propositions of Centraal Beheer. In doing so we aim to offer PPI customers an integrated proposition, so that on top of the 2nd pillar they can accrue additional savings and/or investments in the 3rd and 4th pillars.

We also want to help customers by giving them insight into their future financial situation. As an example, we launched the Hypotheekcheck (mortgage check), which offers customers insight into the future affordability of a mortgage in just 10 minutes.

We have policy in place that seeks to prevent and solve payment arrears. This includes offering our customers a budget coach to help give them an overview of their finances. Achmea is actively involved in social initiatives for debt assistance, such as SchuldenlabNL and Nederlandse Schuldhulproute (NSR), and we are one of the co-founders of Geldfit. All these initiatives contribute to solving and preventing debt problems.

We likewise want to help future generations learn how to treat money responsibly. We do this via initiatives such as Bank voor de Klas (banking lessons) and via Stichting LEF. Through our employees acting as guest teachers, we contribute to the financial education of school pupils and young people. The classes take place at the age at which they are given greater financial responsibility and awareness becomes increasingly important.

BRINGING HEALTHCARE CLOSER

CAREFREE LIVING & WORKING

A HEALTHY AND SUITABLE HOME FOR ALL SENIOR CITIZENS

Achmea, Achmea Real Estate and Zilveren Kruis work together on providing a healthy and suitable home for senior citizens. One way we do this is via our ‘A healthy home for all senior citizens’ campaign. This draws attention to the shortages on the housing market and the pressure on medical personnel and informal carers.

Social issue	Ambition
A healthy home for all senior citizens	Senior citizens feel that they have the option to choose a home that matches their personal situation. In the Netherlands in the period 2022-2026 a number of 125,000 new lifetime homes are being build and a substantial portion of these are being constructed via Achmea.

The Netherlands has a housing shortage and existing housing stock does not match the forecast growth to almost 5 million senior citizens, of whom more than 1.7 will live alone in 2040. To keep care affordable, lifetime homes are needed in which people can grow old happily at home in a healthy and social living environment.

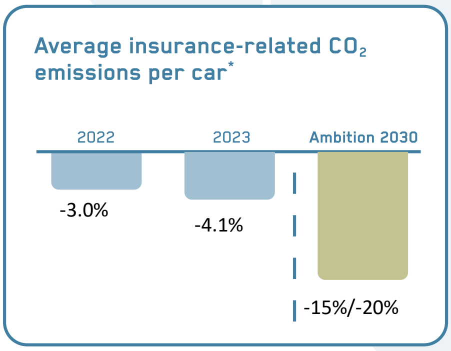
The ‘Growing old happily the Achmea way’ campaign was again broadcast on national television in 2023. This time it was accompanied by the Achmea home test. The aim of this campaign is to encourage people in the Netherlands to think about where they want to grow old happily. The home test contains questions about your home, but also about your social contacts, neighbourhood and health. This enables you to compare where you live now to your wishes for the future. The outcome of the test tells you what you are doing right and where you can act to realise your personal wishes, such as by adapting your own home and living environment or by moving to a more lifetime-proof alternative.

To help create suitable homes for senior citizens, Achmea Real Estate is investing in lifetime homes. In 2023, a care complex in Haarlem containing 103 lifetime homes was acquired on behalf of the Achmea Dutch Health Care Property Fund and 117 lifetime homes in Enschede on behalf of Rabobank Pensioenfonds.

Aside from building homes, we seek to make an impact in other ways as well. Together with partners, Zorgkantoor Zilveren Kruis is implementing the ‘Lang Leven Thuisflats’ project around the Flevoflats in Amsterdam East. In a ‘Lang Leven Thuisflat’ and the surrounding area, there is a collective focus on linking and supporting the flat and local area in order to form a stronger community. The health, wellbeing and participation of all residents are important here. The goal is to create a sustainable and inclusive care system, in which senior citizens can live well and safely in their own homes for longer.

In addition, we help senior citizens to continue living independently for longer with the aid of the Eurocross personal alarm system.

OTHER RESULTS INSURANCE AND SERVICES – ENVIRONMENTAL TOPICS



* Reduction percentage compared to the average CO_2 emissions in 2021 of the Dutch retail car insurance portfolio (Brands: Centraal Beheer, FBTO and Interpolis).

As a financial service provider, we want to play a facilitating role in the transition to a sustainable economy and accelerating the move towards net-zero carbon emissions. We do this together with our partners and customers. The environmental material topics we have identified are described in the section In dialogue with our stakeholders and material topics. Environmental topics based on our role as an insurer and service provider are primarily relevant to our property & casualty and health insurance business. More information on this in relation to our banking and investment activities is included in the section Investments and financing. Our environmental impact on Insurance and services is explained in this section.

With respect to the environmental material topics, the emphasis for our insurance activities is currently on climate adaptation and mitigation. The updated Climate Transition Plan that we published in December 2023 contains more detailed information on this. In the coming years we will further refine our strategy, policies and targets for the other material topics (Pollution, Biodiversity and ecosystems and Use of resources and circular economy).

PROPERTY & CASUALTY INSURANCE AND SERVICES

CLIMATE ADAPTATION

Climate adaptation means that we adapt ourselves to climate change and in doing so increase our resilience. To us this primarily involves focusing on prevention, because it is more sustainable to prevent damage than to repair it. And when damage does occur, we aim to repair it in the most sustainable way possible. The insurability of flood risk plays an important role in our approach as well.

Prevention

Prevention is an important element of our sustainability strategy. We therefore offer our customers support in implementing adaptation measures. For instance, customers can use the Interpolis Veiligheidsmeter (safety meter) to work their way through a questionnaire that can yield a prevention discount. This meter also contains a number of questions related to sustainability and climate adaptation.

Safety and prevention are likewise important to the new technologies being used in the energy transition. The

Dilemma: climate change and affordability of property & casualty insurance

Climate change is causing increasingly frequent extreme weather conditions around the globe, such as heatwaves, heavy rainfall and severe tropical cyclones. Causing a significant amount of damage and loss. It is possible to insure yourself against some of the damage or loss caused by natural disasters. Higher claims could potentially also have an impact on premiums. On the basis of our Sustainable Living. Together vision, we believe it is important to offer products and services that are widely accessible and also affordable for our customers. Our aim is to restrict any increases in premiums as much as possible. Yet in light of the higher expenses involved this will not always be an option. We want to limit these higher expenses by working on climate adaptation and providing information on how to mitigate the risks. In the case of climate adaptation, there are measures that customers themselves can take to prevent damage or loss. This includes replacing paving slabs with greenery, installing higher thresholds that prevent water entering buildings or installing green roofs to make the living environment more resilient to hail and rainfall. Yet the authorities and other institutions also play an important role here, for example in designating suitable (or unsuitable) construction locations and building methods. We actively encourage social debate on this topic. This is one way we aim to keep our products as affordable as possible.

OTHER RESULTS INSURANCE AND SERVICES – ENVIRONMENTAL TOPICS

Sustainability Platform, the centralised knowledge centre for sustainability in our non-life business, assesses new risks with the added goal of keeping the sustainability transition insurable for our customers. And together with a working group of Vereniging Achmea, we have initiated a process to explore how we can best involve our customers in achieving the climate ambitions to make the commercial portfolio more sustainable.

Insuring flood risk

Due to climate change, we see that flooding is a more frequent occurrence. Our insurance policies cover the flood risk from non-primary flood defences as standard for both retail and commercial customers. On top of this, together with the Dutch Association of Insurers (Verbond van Verzekeraars) and the government we are working on the development of flood insurance for primary flood defences. Offering a public-private solution that covers potential breaches in primary flood defences will give people better protection against the repercussions of floods from the sea, inland waterways and major rivers.

CLIMATE MITIGATION

Via our brands and distribution channels we offer a variety of solutions for helping our customers to become more sustainable, also with a view to reduce their carbon footprint.

Emission reduction and engagement targets for property & casualty insurance

In putting our climate ambitions into practice, we are initially focusing on our property & casualty portfolio for retail and commercial customers in the Netherlands (see also Supplement B). In 2023, for the Dutch retail customer motor vehicle insurance portfolio we have formulated an emission reduction target of 15-20% of the average insurance-related carbon emissions per vehicle in 2030 versus 2021 (see chart on previous page). In addition to this emission reduction target, we have likewise formulated an engagement target for our commercial portfolio. We will start with the commercial customers in our agricultural portfolio (see also the section Other environmental topics).

Products and services that help customers become more sustainable

Via our propositions we can help our customers make their homes or business premises more sustainable or install green roofs. Together with Rabobank, Interpolis has developed an abbreviated process for easily insuring shared solar panels (such as a neighbourhood association that installs solar panels in a field). We want to make this new phenomenon insurable. At Centraal Beheer the Klimaatwinkel (climate store) has been expanded to include heat pumps and home batteries, so that customers have even more choice when it comes to sustainability at home. Centraal Beheer is increasingly becoming known as a party that can help you make your home more sustainable. This is thanks to a variety of marketing activities, including the 'Je huis laten verduurzamen? Komt goed.' (A more sustainable home? We've got it.)' campaign. Centraal Beheer helps owners associations (VvEs) to make their buildings more sustainable as well. This can involve anything from assistance with a sustainability plan to the delivery of solar panels. And via the Green Eurekobi label and together with partners, our Turkish subsidiary Eureko Sigorta is facilitating the installation of solar panels, for example.

CAREFREE LIVING & WORKING

De WaterBank

De WaterBank is a platform that matches supply to demand for residual water. De Waterbank helps the authorities, businesses and organisations to find a use for residual water. This helps to prevent flooding and drought. Both Rabobank and Interpolis are members of De WaterBank. Interpolis is providing funding and knowledge, including claims data and communications expertise. Flooding, subsidence or a shortage of water for extinguishing fires can have enormous consequences for the continued existence of businesses. Water storage reduces these risks. As an insurer we help businesses to inventory and mitigate the risks. We provide solutions and services to help make business operations more secure. Membership of this platform underlines our mission to have companies do business safely and sustainably by reducing the risks. For more information, please visit: www.dewaterbank.nl/

OTHER ENVIRONMENTAL TOPICS

The other environmental topics are pollution, biodiversity and use of resources and circular economy.

The agricultural portfolio is an important insurance portfolio for Achmea. The agricultural sector is linked to several environmental issues, including nitrogen pollution but also loss of habitat, monoculture and soil degradation. We insure agricultural activities in the covered cultivation (greenhouse),

OTHER RESULTS INSURANCE AND SERVICES – ENVIRONMENTAL TOPICS

outdoor cultivation (arable farming, arboriculture and flower bulbs) and livestock sectors. For the agricultural sector we choose to pursue an engagement strategy that focuses on several environmental themes. By talking to agricultural businesses, including via permanent consultation structures such as sector councils, we obtain insight into sustainability issues and are able to brainstorm on potential solutions.

Sustainable repairs

Large amounts of materials and other resources are used in the repair value chain for property & casualty insurance. This is partly the result of waste generated during the repair and replacement process. When a customer submits a claim, we therefore examine how we can resolve this as sustainably as possible. This means that wherever possible we aim to repair things rather than replace them. One example of a sustainable repair is a spot repair. Here, we only repair the damaged part of e.g. a floor, kitchen worktop or sanitary facilities. The idea is not to waste raw materials unnecessarily.

We believe that sustainable repair rather than replacement should be the norm when settling claims. This is why we support the Sustainable Repairs Manifesto. Together with our partners we are working to make the repair chain more sustainable. We do this by setting criteria when contracting our repair companies, in the first instance regarding the carbon footprint. In the past few years, about 90% of all the relevant repair companies in our Home network (construction, glass and reconditioning companies) have received ISO 14001 certification. In addition, all our repairers who are BOVAG members have a BOVAG Certified Sustainable quality seal or GroenGedaan quality seal awarded by Stichting Duurzaam. In 2024 we will enter into dialogue with all our repair partners to measure the ecological footprint of each car repair company on top of the current certification.

HEALTH INSURANCE

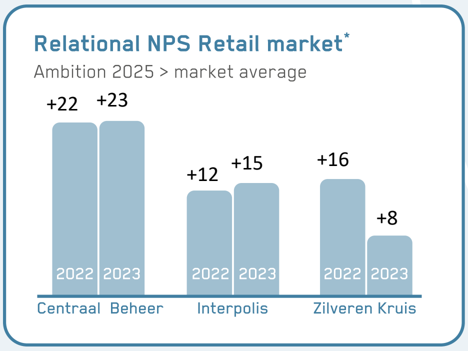
We are the largest health insurance company in the Netherlands. In the health business we can also contribute to the sustainability process. We view this as a necessity as well because a healthy planet is also a prerequisite for ageing healthily. The health sector is responsible for over 7% of carbon emissions in the Netherlands. It also generates large amounts of waste and uses significant quantities of materials, for instance owing to single-use equipment and medicine wastage. This is why in 2022 a number of healthcare organisations collaborated on creating a new Green Deal (Green Deal on Sustainable Healthcare 3.0). See the Climate Transition Plan. The Green Deal on Sustainable Healthcare sets out goals for improving general health and targets for reducing carbon emissions, the use of materials and environmental impact of medication. Healthcare providers bear individual responsibility for making their organisations sustainable, but health insurers are stimulating this via their health procurement and by sharing and encouraging examples of how this can be done better. Zilveren Kruis is focusing on helping healthcare providers to realise the Green Deal ambitions in 11 of the 31 core regions in which it is market leader. It does this by concentrating on reducing carbon emissions by making healthcare real estate more sustainable, reducing waste flows from hospital intensive care units and operating theatres and combating medicine wastage.

In 2024, among other things we will focus on implementing the agreements in the Green Deal on Sustainable Healthcare 3.0 by embedding this in health procurement policy in collaboration with Dutch insurers' umbrella organisation Zorgverzekeraars Nederland. Wherever possible we will link these to the regional healthcare transformation via pilot schemes that contribute to sustainable healthcare. On top of this, we want to make our range of products and services greener and even more inclusive. As an example, we have offered a more sustainable maternity care pack since 2023.

Contribution to making healthcare real estate more sustainable

Zilveren Kruis, Achmea Real Estate and Royal HaskoningDHV work together within the Sustainable Healthcare Partnership. Zilveren Kruis does so on the basis of ensuring that the duty of care is fulfilled in the long term as well and the opportunity to influence the right decisions in real estate. Achmea Real Estate offers healthcare institutions financial solutions. Royal HaskoningDHV supplies expertise in the form of technical advice. In November 2023, a group of about 25 healthcare administrators met to discuss the challenges and opportunities involved in making healthcare real estate more sustainable. This was at the invitation of the Partnership in collaboration with Achmea Corporate Relations. They debated the urgency of the situation, best practices and the responsibilities that parties need to assume. As a follow-up to the meeting, the partnership sent a letter to the outgoing Minister of the Interior and Kingdom Relations and outgoing Minister of Health, Welfare and Sport on realising the climate ambitions in the health sector. This letter proposed a method for monitoring progress that would place a low administrative burden on organisations. Zorgverzekeraars Nederland also endorsed this letter.

OTHER RESULTS INSURANCE AND SERVICES - SOCIAL TOPICS



* For Centraal Beheer and Interpolis, average NPS over four quarters based on customer satisfaction survey conducted by MetrixLab on behalf of Achmea. For Zilveren Kruis based on research by MarketResponse, Health Insurance Customer Monitor (Klantenmonitor Zorgverzekeringen), as at April 2023 and 2022.

Achmea stands for Sustainable Living. Together. This means that we also aim to conduct our business operations in a sustainable manner. As sustainability is an integral component of our strategy, strategic and sustainability results are often interconnected. We have therefore opted to report on these results in an integrated manner. This means that the social material topics identified within the double materiality analysis for the Corporate Sustainability Reporting Directive (CSRD) and the strategic results are dealt with together in this section.

As a financial service provider, we offer our customers insurance products to cover the risks that they are unable or unwilling to bear themselves. These include health insurance, motor vehicle insurance, disability insurance and life insurance. In addition, we provide services related to mortgages, asset management and pension solutions. We contribute to the Sustainable Living. Together vision through our brands. We create value for our customers and society through our brand innovation in products, services and customer service. We want to make our propositions (even more) accessible by using modern distribution channels, with digital and personal interaction. Technology and data are helping us to accomplish this.

CUSTOMER CENTRICITY

Our aim is to help our customers in the broadest sense of the word. We ask our customers how they experience and rate us, for instance via NPS scores. We involve our customers in improving our services by consulting with them (including via our customer panels and customer councils), by handling complaints to the best of our ability and picking up on signals from customers. Achmea monitors its progress on important themes by conducting its own assessments.
Our quality policy describes how we aim to provide the ultimate customer experience and how we embed quality in our business operations. The quality standards we set are based on brand promises (what customers can and may expect of our brands) as well as laws and regulations but also self-regulation by the Dutch Association of Insurers (Verbond van Verzekeraars). We opt to demonstrate via self-regulation that we meet a number of quality standards. For more information, please see the section Embedding in business operations.

Product information and options for reducing risks

By offering a range of insurance policies in different price classes, we contribute to improving the availability and affordability of insurance cover for retail customers and businesses. Customers can protect themselves against risks and gain access to the required financial protection. And we are continuously trying to improve and expand our range in this respect. For example, in 2023 Interpolis introduced a new motor vehicle insurance policy: AutoBewust, a car insurance policy with lower premiums for the target group that is less interested in broader cover. At FBTO, the Basic Property Insurance was launched in alignment with the needs of risk and price-conscious customers. Interpolis also held a Student Home Contents Insurance campaign to explain to students what this entails and that it is inexpensive.

INCOME FOR TODAY AND TOMORROW

Bank voor de klas (banking lessons)

We also believe in the importance of making our future customers aware of money matters and teaching them how to manage their finances properly. Through our employees acting as guest teachers at primary schools, we contribute to the financial education of school pupils and young people. Making young people financially aware from a young age lays the foundations for financial empowerment when they are adults. The classes take place at an age at which they are given greater financial responsibility and awareness of an ‘income for today and tomorrow’ becomes increasingly essential.

OTHER RESULTS INSURANCE AND SERVICES – SOCIAL TOPICS

Unit-linked insurance policies

At the beginning of 2024, Achmea reached an agreement with interest groups Consumentenclaim, Woekerpolis.nl, Woekerpolisproces, Wakkerpolis and the Consumers' Association with respect to a final settlement for customers with a unit-linked insurance policy who are affiliated with one of these interest groups. This agreement concerns unit-linked policies that were sold in the Netherlands through the brands Avéro Achmea, Centraal Beheer, FBTO, Interpolis and their legal predecessors. The affected customers will receive clarity, and the ongoing legal proceedings in the unit-linked policies file can be definitively terminated.

Achmea is reserving a total amount of € 60 million for the settlement agreement. In addition, an extra provision of € 25 million has been made for poignant cases ("schrijnende gevallen") unaffiliated to the interest groups. The impact of the agreement on Achmea's capital position is limited.

After the details regarding the implementation of the settlement agreement have been finalised, customers will receive individual proposals through the interest group with which they are affiliated. Once at least 90% of the customers have agreed to their proposal, the entire agreement will become final. Achmea agreed with the interest groups that all pending legal proceedings will be discontinued and that no new legal proceedings will be initiated. Customers who have not yet done so will no longer be able to join an interest group.

We also try to contribute to good health in general. Zilveren Kruis has been active in Health and Long-term employability for many years. Via Actify we encourage people to work on their health in small steps. And via the Gezond Ondernemen (Healthy Enterprise) Platform we help both employers and employees to adopt healthy habits and make them part of their daily routine. Our Slovakian subsidiary Union also actively works to improve employee health. In 2023, it organised the Healthy Company of the Year competition to motivate companies to support the health of their employees.

We focus on prevention by informing customers of the risks and how to mitigate these. Examples of this include our prevention services, such as the Interpolis InbraakBarometer (burglary barometer) and Veiligheidsmeter (security meter) that tells subscribers about the risk of break-ins and theft from vehicles and homes. We also advise on things to remember while on holiday. Another example is the sickness and disability campaign held by Interpolis that includes facts on employee absenteeism at companies with the goal of making businesses aware of the risks and available solutions.

And with the Cyberscan we show customers how they can better protect their businesses against cyber risks. We have put a great deal of effort into this theme as our BedrijvenMonitor (business monitor) shows that cybercrime is a topic that worries the self-employed and SMEs. To this end we have financially supported the MKBcybertraining.nl platform (SME cyber training). This platform was developed for small businesses and contains practical and smart solutions for preventing cybercrime.

The Verzuimnavigator (absence navigator) was developed for the metal industry together with Zilveren Kruis and contains information on absenteeism and prevention in the metal and mobility sectors. It also provides assistance in supervising employees when they are ill or to create a healthy workplace. Affiliated companies can procure care to work together on creating a healthy workplace.

At our agricultural customers we rigorously examine the electrical risk to make fires at farms more manageable and reduce livestock deaths. A few years ago, Interpolis abolished the voluntary nature of electrical wiring inspections and made implementation of the resulting recommendations a requirement of the insurance.

We also want to increase awareness of the financial risks by actively communicating on these.

Avoiding financial difficulties after the death of a loved one

INCOME FOR TODAY AND TOMORROW

Following the end of mandatory Term Life Insurance (ORV) when taking out a mortgage, in the Dutch market we are seeing a growing number of surviving dependants getting into financial difficulties when a loved one dies. Surviving dependants can subsequently find it hard to meet their mortgage obligations. With respect to Term Life Insurance, our brands, including Centraal Beheer and Interpolis, target a broader group than the standard focus on mortgage customers; tenants and the self-employed are also being made aware of the importance of this type of insurance. Centraal Beheer refers customers to this theme via the direct communication channels and offers term life insurance policies at a competitive price and terms and conditions. We are also increasingly using our business partners as brokers.

We notify our customers on changes to products/services as well as relevant laws and legislation. One example of this is notifications on the websites of our brands in which we inform customers about the implications of the 2023 budget day on their basic health and other insurance policies. In addition, we regularly assess whether the product/service still matches the needs and situation of individual customers. FBTO, for instance, alerted its customers to double coverage

OTHER RESULTS INSURANCE AND SERVICES - SOCIAL TOPICS

BRINGING HEALTHCARE CLOSER

Tackling the GP shortage

Many GP practices have stopped accepting any new patients in recent years. This might be owing to a shortage of assistants, support staff or GPs. Or because of a lack of suitable, affordable locations for new GP practices. Or the fact that more and more people are requiring care. There is no single reason, just as there is no single solution. We seek solutions together with the health sector. For example, by preventing the need for care by facilitating self-care via apps such as Dokter Appke and using Eurocross as an online doctor. Or by encouraging GPs to set up practices. In 2020, Zilveren Kruis and Stichting Achmea Gezondheidszorg invested innovation funds in setting up the Coöperatie Flexdokters (flex doctors cooperative). In doing so we are supporting GPs in starting or taking over practices. The idea is that they have more time for patients because they take advantage of digital support. Via the cooperative 26 GP practices have now switched to the new working method. In addition to the investment by Stichting Achmea Gezondheidszorg, we are also facilitating digital innovations in practices via transition funds in the core regions.

by sending personalised messages in Mijnomgeving and via e-mail. It also made it easy for customers to act and switch off a module themselves. At Centraal Beheer, in the event of changes to their personal situation we refer customers to the option of conducting an insurance check. Centraal Beheer supports them in this via a personalised insurance check in the App.

At our Innovation Hub we seek to identify new revenue models. The idea is that these solve friction for our customers and contribute to resolving social issues in one of the domains we have chosen: health, living and working, mobility and income. We developed and launched the Auto-Abonnement (car subscription) on the market in 2023. This enables users to start driving an electric car within a couple of days via a flexible contract that can be paused on a monthly basis. Users only pay for those months when they have use of the car. This service creates flexibility and encourages the transition to electric mobility.

Easy-to-understand language and clear terms and conditions

We aim to help our customers make the right decision about a product or service by explaining everything as thoroughly as possible. Achmea employees are trained to use clear language. We call this Trusted Communications. We ask our employees to undergo a training module and regularly reassess their skills. This training module was updated and made future-proof in 2023. Our websites contain information documents that give a concise overview of the main features of the different types of insurance. We also ask customer panels to assess our texts for comprehensibility. At FBTO, for instance, important product information is tested in advance for comprehensibility and accessibility by a customer panel.

Specific products and services are offered with advice, while some are offered without. Where advice is offered, we obtain information on the wishes and needs of the customer. The priority here is that we examine what the customer needs. When offering a product/service without advice, customers decide for themselves whether to choose a specific product/service. This is known as execution only. In such cases we only provide factual information about how the product or service functions, the pros and cons and the risks involved. The customer uses this information to decide whether or not to purchase the product or service. For example, for the Centraal Beheer and Interpolis execution-only disability insurance policies we want to make a complex product as comprehensible and accessible as possible for a large target group.

Assistance in the event of damage/ loss or other incidents

Wherever possible we attempt to help customers to prevent damage or loss or other negative incidents but this is not always an option. Whenever necessary, we want to assist our customers. If possible we handle the notification, claim or application immediately.

Being there for our customers when it really matters: earthquake in Turkey

Turkey and Syria were hit by a severe earthquake at the start of 2023. Achmea has many customers and colleagues in Turkey, both at our subsidiary Eureko Sigorta and at the Turkish branch of Eurocross Assistance Company. In the wake of the earthquake, our colleagues at Eureko Sigorta attempted to contact those in the affected region. The goal was to find out about the state of their health, provide information and help them with their insurance policies, for example to initiate the claims handling process. On top of this, it was extremely difficult to obtain access to food and other essentials such as clothing in the affected areas. Together with the Achmea Foundation, we set up a crowdfunding campaign to do something meaningful for the victims. In consultation with our colleagues at Eureko Sigorta, it was decided to divide the donated funds between a number of charities (NGOs). This included support for an organisation that delivers meals to people in the affected areas and another organisation that helps children who have lost their homes and/or been orphaned.

OTHER RESULTS INSURANCE AND SERVICES – SOCIAL TOPICS

CONTRIBUTING TO SOCIETY VIA THE FOUNDATION AND STICHTING

We also invest in social engagement: supporting and protecting those people who need it. At the initiative of Achmea, Stichting Achmea Slachtoffer en Samenleving (SASS) was founded in 1994. In addition, we make funds available from the Achmea Foundation that we have set up. Both organisations operate independently of Achmea.

ACHMEA FOUNDATION

Achmea Foundation was created in 2006 based on the conviction that everyone should be able to participate fully in society. Sustainable Living. Together - everyone deserves the chance to do just that. From health to income for today and tomorrow, for vulnerable people in the Netherlands but also those in the poorest countries in Africa. Achmea Foundation and Achmea are working together to create a world in which it is possible to live together sustainably. Achmea Foundation aligns itself with Achmea's vision and can therefore help to boost Achmea's strategy. We do this via four programmes: 1) Achmea Foundation Impact Fund, 2) Expert Volunteer Assignments, 3) Achmea Voor Elkaar (for each other) and 4) ImpactPlus. Five crowdfunding campaigns were held on the Achmea voor Elkaar platform. On top of this, Achmea Foundation will collaborate with Stichting LEF and Stichting JINC from 2024. Preparations and recruitment for this were started in 2023. Achmea employees are given the opportunity to do volunteer work at these foundations via the social leave scheme. Under this scheme, up to a maximum of 34 hours, half of the hours spent doing volunteer work are for the account of Achmea. A growth programme under the ImpactPlus programme enabled eight social entrepreneurs to develop further. More information on the supported projects can be found on https://www.achmea.nl/foundation.

STICHTING ACHMEA SLACHTOFFER EN SAMENLEVING (SASS)

SASS funds projects aimed at improving the position of victims in society. These projects contain three major areas for attention for victims: 1) respect for and alignment with the resilience and empowerment of victims, 2) a focus on restoring ties and confidence and 3) redress or rehabilitation. SASS focuses on: 'Victims of domestic violence', 'Victims of sexual violence' and 'Victims of online crime'.

As in previous years, SASS supported a number of projects in 2023. The projects supported by SASS have an impact. The 0800-0188, sexual violence national helpline project received media attention and the project 'What do we tell the parents' appeared in professional journal Medisch Contact. In addition, the podcast 'And the letters kept on coming' dealt with the topical issue of stalking and is available on Spotify. Aside from these projects, incidents of transgressive behaviour in the dance world led to the realisation of the website www.dansenvoorjeleven.nl to provide information for victims and give them a voice. Finally, SASS supported the creation of a VR headset by HALT that speeds up victims' recovery process. For more information on SASS and the funded projects, please see www.sass.nl.

This is not always an option though, perhaps because the claim is more complex or because a large number of claims are made at the same time and we are unable to help everyone straight away - for example after a major storm or hailstorm. Simplifying the claims handling process can help here, for instance via digitisation. This year, a link was added to the Rabo Banking App that takes customers to the correct Interpolis portal for reporting damage or loss online.

Learning from complaints and signals from customers

We involve our customers in improving our services. The basic principles here are: are we fulfilling our promise to customers (performance measurement), where can we make improvements and what are we doing right? We receive customer feedback from a variety of sources. For instance, we use our own NPS measurements for the individual parts of the customer journey. Yet customers also emit positive and negative signals via our websites and social media. We take these seriously.

CAREFREE LIVING & WORKING

Collectief Beveiligde Bedrijventerreinen

Interpolis continues to work on encouraging group security at business parks. For the past 15 years, together with Rabobank it has paid a profit share bonus to the affiliated business parks. This profit sharing is based on the insurance premium and cost of claims for the companies located in the business parks and insured at Interpolis. The aim of Interpolis in paying this profit sharing is to stimulate business parks to invest in sustainability. The business association could, for example, buy green energy as a group, enabling businesses to make savings on their energy bills. This matches up seamlessly with our ambition to contribute to a safer and more sustainable Netherlands. Nearly 400 business parks have already signed up to our initiative.

OTHER RESULTS INSURANCE AND SERVICES - SOCIAL TOPICS

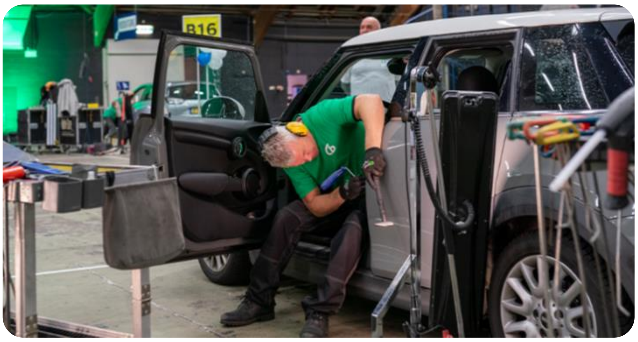
CUSTOMER SATISFACTION IN 2023

In the table on the first page of this section we have included the relational NPS scores for the consumer market for our biggest brands. In de onderstaande paragraaf zijn ook de klanttevredenheidsscores van onze grootste dienstverleningsactiviteiten voor de institutionele klanten opgenomen.

The relational NPS for Interpolis for the consumer market over 2023 is +15 (2022: +12) and is therefore almost stable compared to last year. Customers are satisfied with how their claims are handled. The price/quality ratio is also appreciated. However, the handling time and follow-up can be further shortened and Interpolis wants to help customers even more emphatically and personally in preventing damage. In the 2023 survey the relational NPS for Zilveren Kruis dropped back to the same level as 2 years ago: the relational NPS declined from +16 to +8. The mandatory end to the group discount combined with higher medical expenses inflation makes it likely that customers are awarding a lower rating to the price of our health insurance products. This is visible not only at Zilveren Kruis but also in the broader market. The relational NPS for Centraal Beheer for the consumer market over 2023 was +23 (2022: +22), and therefore almost the same as last year. Customers were especially positive about the customer-friendliness and commitment of employees. The main points for improvement are the accessibility regarding claim handling and the extent of pro-active and personal contact.

As in previous years, we also conducted customer satisfaction surveys among our institutional clients in 2023. The results of the annual customer satisfaction survey showed that the overall assessment of the services provided by Achmea Pensioenservices decreased compared to 2022. The outcome was 6.9 (2022: 7.6). The overall service level over 2023 at Syntrus Achmea Real Estate & Finance (trading names Achmea Real Estate and Achmea Mortgages) was rated at 7.8 by our institutional clients (2022: 8.0). The survey shows that customers are particularly satisfied with the relationship management and the investment return component scores the lowest, which cannot be seen in isolation from a difficult year for both real estate and mortgages. Customers gave Achmea Investment Management a customer satisfaction score of 7.6 (2022: 7.7). Similar scores to last year were awarded for almost all components of the survey.

As in previous years, in January 2023 Centraal Beheer was again voted best property & casualty insurer for businesses in a survey by the Dutch Consumers' Association. In addition to the customer satisfaction scores, our efforts are rated highly in other ways as well. Centraal Beheer, FBTO and Interpolis were awarded a 8.4 for home contents insurance by the Dutch Consumers' Association. On top of this, FBTO won two awards at the Dutch Car Insurer of the Year awards. For third-party liability limited hull insurance the insurer was rated at 8.7 and for all-risk insurance at 8.8. These are the highest scores in both categories. The new Interpolis AutoBewust car product was immediately awarded 5 stars for price by Moneyview. In addition, in March Centraal Beheer won the Silver Loekie for its 'Even Apeldoorn bellen (Just call Apeldoorn)' commercial.



De Kleine-Deukjes-Dagen

SMART MOBILITY

During the Kleine-Deukjes-Dagen Centraal Beheer customers can have up to three minor dents in their cars repaired. These repairs are carried out by damage repair companies from our network. This is a unique opportunity for customers to become acquainted with our repair service. Minor dents in customers' cars were again repaired in June and November of this year. The result was enthusiastic customers!

DATA AND DIGITISATION

To be able to have a position as a leading player, we are putting every effort into Achmea's digital transformation. Going all out on data and digital enables us to offer more dynamic pricing, faster and smarter distribution and unparalleled convenience.

NEW AND INNOVATIVE PROPOSITIONS THANKS TO EXPERTISE IN DATA & DIGITAL

Use of data and technology is crucial to serving our customers properly. We are therefore expanding our expertise on data and digitisation by applying a single working method throughout our entire organisation.

For data our goal is the Microsoft Azure Cloud platform. As of year-end 2023, the migration to the Microsoft Azure Cloud was on track; approx. 45% of systems now operate on the Microsoft Azure Cloud (ambition for 2025 >90%). The Azure data analysis platform forms the basis for managing and sharing data.

We are digitising our processes by upgrading the degree of STP (Straight Through Processing). This involves structuring and implementing operational business process, with the emphasis on shortening processing times. About half of the property & casualty insurance claims made by our retail customers are submitted online. For health insurance the majority of invoices are processed via healthcare providers and about 95% of these are submitted digitally.

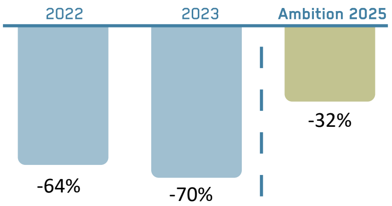
Digitisation offers multiple opportunities for responding to the wishes of customers, for instance for personalising customer services. We used, for example, a storm bot following storm Poly in 2023. Here, customers have direct contact with a voice bot (an Artificial Intelligence voice dialogue) when submitting storm-related insurance claims. The chatbot checks whether the customer is insured by us and asks what damage or loss has been incurred. This reduces the pressure on call centres and enables us to help customers much more quickly. Within Property & Casualty Retail, we have introduced automatic payments for settling glass claims. The effect of digitisation is visible in the levels of customer satisfaction, with an upturn in the (transactional) NPS. Zilveren Kruis has taken further steps to offer digital care and the majority of claims submitted by policyholders themselves are now dealt with entirely digitally, with real-time feedback for customers. Via a partnership with Hackshield, Interpolis has launched a game to stimulate safe online habits among children. On top of an optimum customer experience, we are working on improving and simplifying our processes. For example, Achmea Bank is automating more and more of its processes based on data analysis and the process for opening a regular savings account is in principle 100% handled via STP.

With respect to IT, following an extensive and meticulous selection process Achmea has decided to manage its pension administration business on the IG&H AllVida administration system. This decision is an important step towards the transition to the new pension system, as well as providing Achmea employees and our customers with clarity and perspective. In addition, we have delivered the first version of an Achmea generative AI environment for which the first pilot schemes have been started. This involves ongoing developments in data and AI.

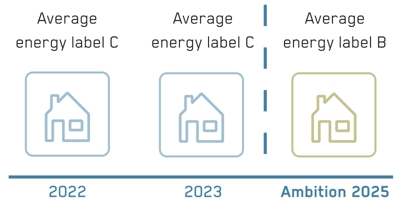
The basic principle is that we handle the data entrusted to us carefully, transparently and in an ethical manner. We have IT and other security policies and measures in place to safeguard our customers' personal details. Achmea has a privacy policy that describes how we treat the personal details of our customers. Achmea's public Privacy Statement can be found here.

OTHER RESULTS INVESTMENTS AND FINANCING – ENVIRONMENTAL TOPICS

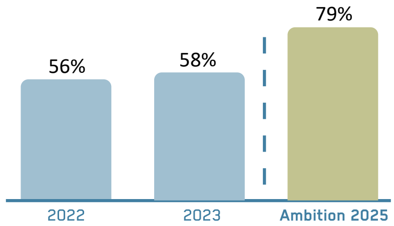
Financed CO_2 emissions investments in companies compared to the intended reduction path*



Average energy label of mortgage portfolio**



Percentage energy label A or better real estate portfolio***



* Reduction percentage compared to the market benchmark at year-end 2020.
** Determined by multiplying the standard energy consumption of an energy label by the number of collateral with this energy label in the portfolio divided by the total number of collateral in the portfolio.
*** Percentage determined based on the book value of properties.

Achmea's role as a large financial service provider means we are also a major investor. For our investments and financing, we aim to earn a combination of a financial and social return. We invest the premiums and other funds our customers have entrusted to us responsibly: with respect for the world around us and for future generations. In doing so we take into account the environment, social justice and good governance.

Among other things, we invest in businesses via equities and corporate bonds, government bonds, real estate, mortgages and infrastructure. We also grant mortgages directly to customers. For most of our investments we use the services of our own asset managers: Achmea Investment Management (Achmea IM), Achmea Mortgages and Achmea Real Estate. They possess a great deal of knowledge and expertise on sustainability. We use this knowledge and expertise to achieve (and accelerate) our sustainability ambitions. Our asset managers also invest on behalf of institutional clients. We grant mortgages via Achmea Bank too. More information can be found on the websites of the individual operating companies and in their annual reports.

In our Socially Responsible Investment (SRI) policy we distinguish between five key themes, including two environmental themes. In this section we look at how we have interpreted the environmental themes. These relate to Nature & the environment and Climate. In other sections we describe our contribution deriving from social and governance-related themes.

We have formulated ambitions for each of these themes that we aim to meet no later than in 2030. As part of the Nature & the environment theme, we are working to prevent the loss of biodiversity. And for the Climate theme we aim to have a climate-neutral investment portfolio no later than in 2050 and for corporate investments (e.g. (listed) equities and corporate bonds) early as in 2040. We describe how we are working to achieve this in our Climate Transition Plan. Our key themes and corresponding targets are set out in the SRI policy on our website.

Spotlight: Climate Transition Plan

Achmea has signed the Financial Sector's Climate Commitment. Under this commitment, we have promised to measure the carbon emissions of our investments and participate in funding the energy transition and prepare action plans, including by setting reduction targets for 2030. In doing so, we explain the actions we take to contribute to the Paris Agreement and Dutch National Climate Agreement. We published our first Climate Transition Plan in 2022 and updated it in 2030. This plan can be found on our website.

CLIMATE ADAPTATION

We want to facilitate the energy transition. One way we are doing this is by investing in green bonds. The governments and companies that issue these bonds use the proceeds to fund amongst others sustainable projects aimed at renewable energy, sustainable water management or sustainable waste management. As of year-end 2023, we held investments in these amounting to € 2 billion. In addition, we hold positions in investment funds that invest in the energy transition, such as the Achmea IM Climate Infrastructure Fund.

CLIMATE MITIGATION

We measure the carbon footprint of the most relevant investments and loans and have set reduction targets and drawn up action plans. For more information on the financed carbon emissions, see Supplement B. Detailed sustainability information.

Corporate investments (equities and corporate bonds)

Our ambition for corporate investments (net-zero carbon emissions in 2040) was given tangible form by setting the CO_2 reduction targets for the relevant portfolios. We aim to achieve a 32% reduction in 2025 and a 68% reduction in 2030 versus the market benchmark as at year-end 2020. These

OTHER RESULTS INVESTMENTS AND FINANCING – ENVIRONMENTAL TOPICS

targets are based on the Scope 1 and 2 emissions of the companies in which we invest. We have not yet set targets for Scope 3 emissions (see box). The emissions from the market benchmark are the average emissions from all the companies in which we could have invested as at that date. Year-end 2023, carbon emissions from the relevant portfolios were 70% lower than the market benchmark as at year-end 2020.

In 2023 we intensified engagement on the Climate theme. On top of this, we selected 10 additional carbon-intensive companies and started engagement processes with them. We also sign up to group initiatives, such as the Dutch Climate Coalition. This is a group of Dutch investors with which we conduct engagement processes at eight major oil and gas companies. We make active use of our shareholder rights and also attempt to exert influence on the businesses in which we invest. For example, in 2023 we supported Follow This shareholder initiatives that called on oil companies to align their Scope 3 emission reduction targets with the Paris Climate agreement. See also our Socially Responsible Investment Half Year Report for more information on the application of these SRI instruments throughout the year.

Investments in government bonds

A large part of our investment portfolio comprises of government bonds. Achmea aims to have a climate-neutral investment portfolio for government bonds as of 2050, in part by investing in green government bonds. These are bonds for which the proceeds are used to contribute to the transition to sustainable energy infrastructure or for making public transport more sustainable. As of year-end 2023, Achmea had approx. € 300 million outstanding in green government bonds. Over the next few years we aim to invest a larger

Spotlight: Investing in the energy transition

The Achmea IM Climate Infrastructure Fund has invested € 140 million in two European onshore windfarms, € 55 million of which via Achmea Pension & Life investments. This investment fund contributes to accelerating the energy transition in Europe by investing in wind and solar energy and hydro-electric projects.

Dilemma: Scope 3 emissions from corporate investments and reduction targets

The amount of greenhouse gases linked to a company's activities is expressed in Scope 1, 2 and 3 emissions. Many of the businesses in which Achmea invests have had a clear picture of their Scope 1 and Scope 2 emissions for many years now but do not yet report on their Scope 3 emissions. Scope 3 emissions relate to the emissions from the company's value chain. To determine the financed emissions from corporate investments, it is not only the emissions from the company in which we invest that are important but also the Scope 3 emissions linked to that company's value chain.

It is generally difficult to define Scope 3 emissions. This is because these require data from other parties in the value chain. As a result, many businesses do not yet report on these (in full). For this reason, until now Achmea had not taken into account the Scope 3 emissions from the companies in which we invest when determining the financed emissions. Legislation requires a growing number of businesses to report on their Scope 3 emissions.

Achmea makes use of data provider MSCI. MSCI collects data from the annual reports of listed companies and elsewhere. In 2022, according to MSCI only 25% of all companies reported on their Scope 3 emissions and these data were often incomplete (not all emission categories). For companies that only report Scope 1 and Scope 2 emissions and not Scope 3 emissions, MSCI makes a model-based estimate of their Scope 3 emissions. However, these modelled emissions often deviate enormously from the reported emissions.

In the coming years businesses are expected to adjust their methods and obtain better data on this. This will cause volatility in the reported Scope 3 emissions and hinder comparison with previous years. Companies are expected to start reporting on more Scope 3 categories as well. This will push up reported emissions without saying anything about the actual underlying Scope 3 emissions.

It is essential to reduce Scope 3 emissions in order to achieve the global climate goals. Yet the quality of Scope 3 emissions data is still not good enough. To set reduction targets for Scope 3 emissions the data needs to be credible, reliable and consistent. This is why Achmea has currently not published reduction targets for Scope 3 emissions from its investments. We nevertheless expect the companies in which we invest to base their climate strategies on Scope 1, 2 and 3 emissions. This criterion forms part of our engagement strategy. From 2024 we will also start to report on the reported Scope 3 emissions from the companies in which we invest.

OTHER RESULTS INVESTMENTS AND FINANCING – ENVIRONMENTAL TOPICS

portion of the government bond portfolio in green bonds. This is why we raised the minimum allocation within the government bond portfolio from 5% to 7% in 2023. Year-end 2023 the allocation stood at 5%.

In 2023 we also initiated engagement processes with governments. We have opted for a twin-track strategy here. Firstly, we support the relevant group initiatives started by other parties. As an example, we participate in a coalition of institutional investors, led by the UN Principles for Responsible Investment (PRI) organisation, that is engaging with the Australian government on achieving the climate goals from the Paris Climate Agreement. Secondly, as Achmea we are ourselves taking the initiative to pursue engagement processes with governments. See the section Other results Investments and financing - social topics for an example of this.

Investments in mortgages and banking credit portfolio

We have set targets both for improving energy labels and for reducing carbon emissions for our investments in mortgages and the mortgages granted by our banking business. A higher energy label usually means lower energy consumption and in turn lower carbon emissions. We aim to increase the proportion of green energy labels in our mortgage portfolio by, together with partners, helping customers to make their homes more sustainable. Our ambition is to bring the portfolio to an average A energy label as of 2030 (target year-end 2025: average B energy label). Year-end 2023 the portfolio had an average energy label of C.

Furthermore, we are aiming for our mortgage portfolio to be carbon-neutral no later than 2050. In 2023 we investigated how Achmea Bank's mortgage portfolio compares to a climate transition pathway of the Science Based Targets Initiative (SBTi). To do this we used the latest transition pathways published by the Carbon Risk Real Estate Monitor (CRREM). These transition pathways are based on the 1.5°C scenario from the most recent IPCC report. See the Climate Transition Plan for more information.

Spotlight: ESG Impact Report Achmea Bank

In its ESG Impact Report, Achmea Bank describes its sustainability efforts and the application of the Principles for Responsible Banking (PRB). By signing the PRB, Achmea Bank demonstrates its commitment to the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement. Alongside the fact that sustainability is a central theme in our organisation, we demand the same of our partners outside Achmea. We ask our suppliers to embed sustainability in their business operations. Achmea Bank's published ESG Impact reports can be found here.

Buying a new home is the obvious time to consider sustainability. We therefore inform customers of the options and potential savings involved in making their homes more sustainable when they take out a mortgage. And we encourage advisors to broach the subject of sustainability in their mortgage advice meetings. We introduced a 'Groen Leningdeel' (green loan component) in 2023. Customers can use this to finance sustainability measures for their homes at a lower interest rate as part of their mortgage. Furthermore, we actively inform customers of the options and benefits of making their homes more sustainable via a page in the mortgage offer. This mortgage can exceed the property's market value up to a maximum of 106%. Under certain conditions, the amount borrowed along with the mortgage will also be excluded from means testing. We monitor how often sustainability is included in the mortgage advice and included as part of the mortgage.

Investments in real estate

It is important to us that our property portfolio is sustainable. We buy new sustainable real estate and invest in making our existing property portfolio more sustainable. Sustainable real estate means properties with a good energy label (A or higher). In the long term, the properties will also provide comfortable housing for a variety of target groups and make a positive contribution to the immediate (physical) environment.

Spotlight: Achmea Real Estate's ESG strategy

Achmea Real Estate aims to make sustainable investments that yield a financial and social return. Achmea Real Estate updated its ESG strategy in 2023. In addition, in 2023 Achmea Real Estate published its third ESG Report in which it describes its progress on the targets set out in this strategy. See also: Strategy - Achmea Real Estate.

Our goal is for the property portfolio to hold at least an A energy label by 2030 (target year-end 2025: 79% minimum A energy label). Year-end 2023, about 58% (2022: 56%) of the investment properties possessed an energy label of A or higher.

We also aim to have a carbon-neutral investment property portfolio in 2050. As an interim step we want to achieve at least a 50% reduction in carbon emissions in 2030 versus 1990. To this end we drew up a roadmap that provides insight into the options for realising these targets. This roadmap was updated in 2023 and showed that we had in fact already achieved the carbon emissions reduction target. This led us to increase our ambition from a 50% to 55% reduction in carbon emissions in 2030 versus 2023. We monitor energy consumption and carbon emissions annually. This is also an important component of the GRESB international sustainability benchmark.

OTHER RESULTS INVESTMENTS AND FINANCING – ENVIRONMENTAL TOPICS

Spotlight: GRESB

Achmea Real Estate participated in GRESB in 2023 via a range of funds and portfolios that invest in real estate: seven in Dutch properties and two in German properties. GRESB stands for the Global Real Estate Sustainability Benchmark. All the Dutch property funds and portfolios of Achmea and Achmea Real Estate earned the highest rating of five stars. This means that they were among the best-performing funds and portfolios worldwide in terms of sustainability based on the criteria applied by GRESB. The investment property portfolio of Achmea Pensioen- en Levensverzekeringen N.V. was again ranked first in the Western Europe/Diversified Office/Residential/Core peer group. The two German portfolios likewise performed well and better than the year before.

OTHER ENVIRONMENTAL TOPICS

Achmea attaches great value to a liveable environment in which present and future generations can live and work healthily, safely and comfortably. This is why we believe it important to devote attention to the Nature & the environment theme in our investment policy. In this theme, we focus on aspects such as preserving and improving biodiversity. Robust biodiversity means clean air, fresh water, good soil quality and crop pollination. It also helps to combat climate change and reduce the impact of natural disasters.

In our role as an investor, we can also exert influence on preserving and promoting biodiversity. It is for this reason that Achmea has signed the Finance for Biodiversity Pledge. This is an initiative of a group of European financial institutions that work together under the EU Business and Biodiversity Platform based on a desire to preserve and enhance nature and biodiversity. We put this into practice via our own engagement programme aimed at the contribution of food producers and supermarket chains to promoting biodiversity within the agricultural chain. We also participate in group engagement programmes, including those of FAIRR and Nature Action 100.

Within our engagement programme we also pay attention to other themes related to nature and the environment, such as the use of plastics and circularity. In 2023 we initiated dialogue with several companies on reducing plastic in packaging for consumer goods. These talks took place with businesses that operate in different parts of the chain: suppliers for plastic production, users of plastic in products and supermarket chains. The aim of this engagement programme is to encourage businesses to reduce the use of plastic as a packaging material. In doing so our intention is that companies accelerate the transition to a circular economy and make a bigger contribution to preventing plastic ending up as waste in the environment.

The new engagement programme Clothing and circularity was also started in 2023. Within this programme we enter into dialogue with companies in the clothing industry. We want to know whether the selected companies have an adequate picture of the opportunities and risks of the transition to a more circular economy and whether they are properly prepared for the expected increase in laws and legislation. For more information on our engagement programme, see our SRI report.

OTHER RESULTS INVESTMENTS AND FINANCING – SOCIAL TOPICS

In our Socially Responsible Investment (SRI) policy we distinguish a number of key themes that focus on the social domain: Human rights, Labour standards and Health. We have formulated ambitions for each of these themes that we aim to meet no later than in 2030. For example, we only want to invest in companies that respect human rights and labour standards, such as the entitlement to equal opportunities, treatment and pay and the right to receive a living wage. For the Health theme, our goal is access to medicines and healthy food. An overview of the key themes and corresponding targets can be found in our SRI policy on our website.

Corporate investments

We are active shareholders via our engagement processes and voting at shareholder meetings. In 2023 we put this into practice by, for instance, initiating a new engagement programme aimed at facilitating Access to Healthcare. In this programme, in addition to the pharmaceutical sector we focus on other companies that play an important role in the healthcare chain, such as those that provide diagnostics and develop or distribute medical equipment.

We also make use of our voting rights as shareholders. One example of this is a resolution that Achmea IM submitted to Uber.

Spotlight: Uber

At the end of 2022, Achmea IM submitted a shareholder resolution on driver safety to Uber. This resolution received approximately 9% of votes at the shareholder meeting in May 2023. This disappointing outcome seems to be the result of Uber's announcement of a civil rights audit, which the company claimed would address the topic of our resolution. Uber also succeeded in convincing the proxy voting advisors of this, causing them to vote against our resolution. However, the civil rights audit published in August 2023 failed to respond to our resolution. The audit and corresponding recommendations focus primarily on civil rights themes such as equal opportunities and discrimination. The audit report contains few recommendations on driver safety and moreover these largely apply to the US. We will continue our dialogue with Uber and resubmit the resolution in 2024.

Another SRI instrument is exclusion. This is the last resort if we are forced to conclude that our influence as an investor is insufficient to get companies to make the necessary changes. We will then divest ourselves of these companies and remove them from our portfolio. One example of this in 2023 was Tesla.

Investments in government bonds

On 1 January 2023, Achmea tightened its country policy. We exclude countries that systematically commit gross violations of human rights. This also applies to countries that violate the treaty on the non-proliferation of nuclear weapons. In practice, exclusion means that we no longer invest in that country's government bonds and state companies. A company qualifies as a state company if the state owns more than 50% of the shares. A handy guide when excluding countries is the Sanctions Act 1977. This is the implementation act for sanctions imposed by the EU and UN.

Dilemma: Tesla

Even though we advocate driving electric vehicles, there is no place for Tesla in Achmea's portfolio. Why is this?

Even though we advocate driving electric vehicles, there is no place for Tesla in Achmea's portfolio. Why is this? Tesla is a major driver of the energy transition. The company manufactures electric cars, solar panels and batteries. But our ESG data provider has also determined that Tesla faces allegations of harassment and threats and firing of employees when they want to unionize. Furthermore, the company's employees have faced intimidation, threats and dismissal when they wanted to unionise. Tesla has so far not been open to dialogue on this. In doing so, it is violating several international labour standards. This is the reason behind our decision to exclude Tesla from our investments in 2023.

Dilemma: Investments in weapons

Achmea reviewed its investment policy for weapons in 2023. Controversial weapons, such as nuclear weapons, chemical weapons and cluster ammunition, were already excluded from investments. As of 2024, companies involved in the manufacture of white phosphorus and depleted uranium are also excluded by Achmea. These weapons are not banned but can cause a disproportionate amount of suffering. Why does Achmea not exclude the weapons industry in its entirety? Weapons play an important role in preserving peace and security and enable countries to defend themselves when necessary. This is why Achmea does not totally exclude investments in the weapons industry.

OTHER RESULTS INVESTMENTS AND FINANCING – SOCIAL TOPICS

In addition, our policy aims to ensure that countries meet a number of minimum standards. Here we use the Freedom in the World Index, ITUC Global Rights Index and Corruption Perception Index. These indices show how countries perform on human rights, labour rights and corruption.

On top of this, as Achmea we are ourselves also taking the initiative to pursue engagement processes with governments. In 2023, together with NGO Tobacco Free Portfolios we compiled an investor statement on tobacco control.

Spotlight: Investor statement on tobacco

At Achmea's initiative, 57 leading financial institutions with combined Assets under Management of more than US$ 2,9 trillion in ten countries, issued a statement calling on countries to accelerate implementation of the World Health Organization's Framework Convention on Tobacco Control. These financial institutions seek to create awareness of the benefits of tobacco control. This involves not just the health and environmental aspects of tobacco use but also the considerable negative impact on the economy. The statement was officially presented in a side event at the UN's Headquarters in New York during the United Nations' General Assembly.

Investments in real estate

Apart from investing in residential properties, Achmea also invests via the Achmea Dutch Health Care Property Fund. This fund, managed by Achmea Real Estate, invests in sustainable real estate for healthcare providers and residents and aims to promote social inclusion and create healthy living and working environments. The fund invests in properties such as mid-price lifetime homes, private residential care homes, inpatient residential units and primary and primary-plus healthcare centres. By investing in healthcare real estate, Achmea helps senior citizens to live independently at home for longer and contributes to better care at lower costs.

We also pay attention to the social aspect of our real estate, such as the wellbeing and health of residents, for instance by encouraging social cohesion. In addition, we realise affordable rental homes and prioritise key professions when leasing new homes in 4 large Dutch cities. Achmea Real Estate has developed a Social Impact Monitor (SIM) together with Springco Urban Analytics. This enables us to measure and where necessary improve the social impact of our investment properties. We conducted an initial measurement in 2023.

There is a severe shortage of public housing in the Netherlands. Achmea has about € 1 billion in outstanding loans to housing corporations that are being used to build and renovate public housing.

Impact funds

Finally, we invest in impact funds. Achmea invested Finally, we invest in impact funds. Achmea invested € 42 million in 5 impact funds that focus on improving healthcare in Africa, healthy food and microfinancing in developing countries. million in 5 impact funds that focus on improving healthcare in Africa, healthy food and microfinancing in developing countries.

OTHER RESULT INVESTMENTS AND FINANCING - GOVERNANCE TOPICS

INTEGRATING ESG INTO SOCIALLY RESPONSIBLE INVESTMENT POLICY

Socially Responsible Investment (SRI) is more important than ever in our society. We can see this from the questions our customers ask us, the focus of social organisations, politicians and the increase in laws and legislation in this area. The inclusion of ESG information forms a structural component of the investment process. We are convinced that this contributes to improving the positive impact and restricting the risks in our investment portfolio.

Achmea makes appropriate, prudent risk assessments for the businesses in which it invests. Due diligence seeks to define the potential and actual negative sustainability impacts of investment decisions with the aim of preventing and mitigating them. Achmea screens its investments, including against the principles of the UN Global Compact. These principles relate to aspects such as human rights, labour standards, the environment and anti-corruption. More information on tangible actions for environmental and social topics during 2023 can be found in the previous sections.

An important basic principle in our approach is that we want to realise change in the real economy. This is why we focus our efforts on engagement with companies and voting at shareholder meetings (engaged shareholdership). See box for more information.

Spotlight: Engaged shareholdership

In dialogue with companies (engagement)

Via engagement we want to encourage the companies in which we invest to make their activities more sustainable, increase the value of our investments and improve the quality of management. We enter into dialogue with companies that violate internationally accepted norms for human rights, labour standards, corruption or the environment. We call this normative engagement. To this end we take a number of major international frameworks as our starting point, namely the UN Global Compact, the OECD guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights. In 2023, 73 companies were part of this engagement programme. Achmea also has a thematic engagement programme. Throughout the year, on 12 different themes aligned with the five key themes of our SRI policy, we conduct dialogue with companies on sustainability aspects of their business operations that offer room for improvement. A total of 76 companies were part of our thematic engagement programme in 2023. The term of this thematic engagement is usually 3 years.

KEY THEME	ENGAGEMENT(THEME)
Human rights	• Human rights & Governance in the Commodities, Telecom and Electronics sectors
Labour standards	• Working conditions in the agricultural and food chains
Nature & the environment	• Reduction of plastic in packaging for consumer goods and supermarket chains • Reduction of negative impact on biodiversity of food producers and supermarket chains • Clothing and circularity
Health	• Access to Healthcare • Access to Nutrition
Climate	• Climate and Transport: reduction of carbon emissions via rail and public transport companies • Climate adaptation and water policy in the manufacturing industry and materials sector • CO_2 reduction: 2 programmes targeting carbon-intensive companies, including in the chemical and automotive industries and energy and utility companies

Voting at shareholder meetings

We make active use of our shareholder rights and also attempt to exert influence on the businesses in which we invest. For example, we use our voting rights when engagement with companies yields insufficient results. In addition to exercising voting rights at shareholder meetings, we also submit proposals ourselves. A shareholder proposal is a powerful mechanism for emitting a signal to the company in question.

	ENGAGEMENTS				VOTING			
	NUMBER OF COMPANIES		NUMBER OF TOPICS		NUMBER OF SHAREHOLDER MEETINGS		NUMBER OF AGENDA ITEMS	
	2023	2022	2023	2022	2023	2022	2023	2022
On behalf of Achmea	149	125	191	176	621	698	9,284	10,033
On behalf of Achmea IM incl. Fund Management	183	147	230	202	3,194	3,188	32,161	34,791

OTHER RESULT INVESTMENTS AND FINANCING - GOVERNANCE TOPICS

Spotlight: Achmea in 3rd place in the responsible investment benchmark

This is the conclusion of the survey conducted by the Dutch Association of Investors for Sustainable Development (VBDO). The report examines how sustainable the investments of the 20 largest Dutch insurers are and specifically looks at climate risks. In 2023, Achmea earned a score of 4.2 points on a scale of 5. This is 0.7 higher than the previous score in 2021 and means that we have climbed from 4th to 3rd place in the ranking.

We are aware that not all our engagement efforts and voting will lead to the desired results. In this case we are forced to conclude that our influence as an investor is insufficient to get companies to make the necessary changes. We will then divest ourselves of these companies and remove them from our portfolio. We update the list of those companies we exclude twice a year and publish it on our website.

Transparency on our SRI policy

One component of good governance in relation to SRI is transparency on how we implemented this policy. Every six months Achmea publishes a report on the policy it has pursued, progress on the engagement programmes and realised performance on its website. We also report on the carbon footprint from our investments and financing. More information on this can be found in Supplement B.

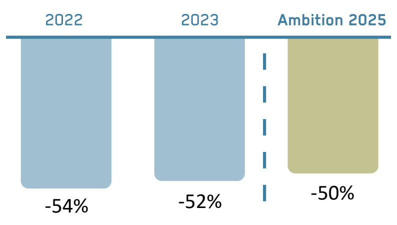
We use the outcome of the benchmark surveys as input for evaluating our SRI policy. This includes the VBDO benchmark, for example. Our ambition is to continue enhancing our performance in the coming years.

Principles for Responsible Investment

Since 2007, Achmea is a co-signee of the UN Principles for Responsible Investment (PRI). The PRI focuses on incorporating environmental and social principles and good governance into investment processes. Engaged shareholdership and transparency on realised results are important principles in relation to responsible investment as well. An annual self-assessment is carried out on compliance with these principles. Our latest transparency report can be found on the PRI website.

OTHER RESULTS OWN OPERATIONS – ENVIRONMENTAL TOPICS

Development CO_2 emissions own operations*



* CO_2 emissions from buildings, mobility, waste, paper, data centers and cloud services in the Netherlands compared to 2019.

We do business with an eye to the future. This is why we are working on making our operations even more sustainable, including procurement.

EMPLOYEES

Achmea wants to bring Sustainable Living. Together closer for its employees as well. To this end, the climate budget was added to the collective labour agreement at the end of 2021: employees with full-time contracts are given a one-off climate budget of € 2,500 net to buy products or services that contribute to making their homes and/or mobility more sustainable in the period 2023-2025. In 2023, 72% of employees spent (part of) their climate budget, investing it in e.g. solar panels, insulation or a heat pump. We have made an indicative calculation of the CO_2 reduction that these investments will result in per year: approximately 3 kilotons.

OWN OPERATIONS

In 2023 we updated and externally published our environmental policy for our own business operations.

We measure carbon emissions for all our buildings, car and air travel, paper consumption and waste, data centres and cloud services. We are reducing these emissions and making them more sustainable through energy efficiency measures, by investing in generating our own renewable energy and by purchasing green electricity. Furthermore, we are reducing the number of journeys our employees make and making their travel more sustainable. In 2023 we achieved a 52% reduction in gross carbon emissions versus 2019 (2022: 54% versus 2019). This means that we have already realised our target for 2025.

In 2023 we defined a method for counting carbon emissions from working from home in measuring our carbon footprint. These emissions are included in Scope 3 emissions from 1 January 2024.

In 2022 we started the project Energy-neutral Apeldoorn in 2025. This will be the first of the locations we own to become energy-neutral. The project yielded its first results in 2023 and this location is now largely gas-free. In Tilburg, preparations for the Thermal Energy Storage installation were completed and the TL lighting at all our locations is being replaced with LED lighting. On top of this, Achmea had already signed a contract for potentially connecting up to a new geothermal heat network in Leeuwarden. Amendments to the Collective Heat Supply Act have delayed the construction of the heat network.

Achmea's car lease policy has been 100% electric since 1 May 2023. Only electric vehicles may be selected in (new) applications under the scheme. Year-end 2023, 50% of the fleet of lease cars were electric vehicles (year-end 2022: 36%). The percentage of electric vehicles including hybrid vehicles was 71% (year-end 2022: 48%). We have also prepared for the implementation of mandatory reporting on carbon emission reductions from work-related employee mobility (business and commuter mileage).

We have compensated for the residual carbon emissions from our business operations since 2011. Nowadays this is done by purchasing Gold Standard certificates. For more information see supplement B. Detailed sustainability information, Information on our carbon footprint.

We are making the area around our locations more sustainable by sharing knowledge and encouraging local (iconic) projects and innovations. Examples of projects include developing a biodiverse and nature-inclusive Interpolis City Garden in Tilburg, a survey in collaboration with the municipality of Apeldoorn into a collective charging station area and participation in sustainability networks in cities such as Leiden and Apeldoorn.

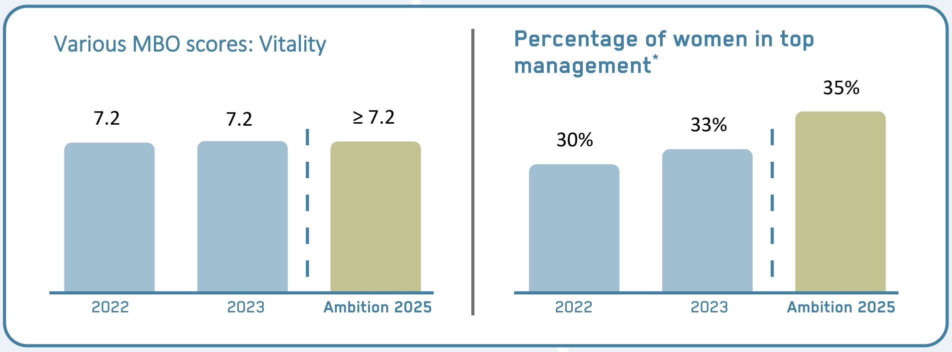
OTHER RESULTS OWN OPERATIONS – ENVIRONMENTAL TOPICS

Product and service procurement

Together with our suppliers we are working on sustainability by explicitly incorporating sustainability themes into our procurement policy and process. This involves us asking sustainability-related questions during tender processes and taking the answers into account in our assessments. For new procurement contracts, we measure the share of contracts that include sustainability-related provisions and from 2024 we will monitor this via a dashboard. Sustainability is a fixed item on the agenda at regular meetings with existing suppliers. One example of how we are becoming more sustainable together with suppliers is the renovation of generic and working areas at all locations using existing refurbished furniture.

Use of EcoVadis, a platform for suppliers, gives us insight into the sustainability performance of our (potential) suppliers. We actively encourage our high-impact suppliers to obtain an EcoVadis rating. The goal is for 80% of these suppliers to possess a rating in 2025 (2023: 63%). We take various aspects into account when assessing whether a supplier is impactful to us, such as the size of the contract, the contribution the supplier can make to Achmea's sustainability targets and/or sustainability in general.

OTHER RESULTS OWN OPERATIONS – SOCIAL TOPICS



* Top management defined as Executive Board, Executive Board and Senior Management. Excluding third-party companies and international operating companies.

Our employees are the beating heart of our company. We use our HR policy to ensure that they continue their personal development, put their talents to the best-possible use and allow their professionalism to shine through, all in a healthy working environment in which everyone feels welcome.

Inclusive working environment

Achmea stands for Sustainable Living. Together. An inclusive society in which everyone participates and can live happily and healthily side by side is our ideal. This starts with ourselves. By being an employer where everyone feels welcome. We want all our colleagues to have total freedom to be themselves. Where everyone's talent is recognised, respected and utilised. Where we work on creating a more diverse and inclusive environment with respect for each other and our mutual differences. Because we believe that differences enrich our lives.

Last year, we defined an integral approach to Inclusion, Diversity and Equality (ID&E) in which we aim to promote equal treatment, provide equal opportunities and prevent discrimination and other forms of exclusion. Together with the business units we are identifying opportunities for realising our joint ambitions in this respect. Our aim is to have fully integrated ID&E into how we work as of 2030 and for us to be a leading employer in our sector.

In 2023 the ratio of women in top management (Executive Board, Directors' Council and senior management) stood at 33% (target for 2023: 32%). The percentage of women in scale J-K (sub-top positions) was 31% (target 2023: 31%).

	MALE		FEMALE	
	2023	2022	2023	2022
Supervisory Board	63%	63%	37%	37%
Executive Board	50%	50%	50%	50%
Directors' Council	73%	75%	27%	25%
Sr. Management	67%	68%	33%	32%
Scales J-K	69%	70%	31%	30%
Total Achmea	48%	53%	52%	47%

Excluding third-party companies and international operating companies.

With the aid of cross-mentoring and the interactive talk Speak Up Dear! we aim to boost the professional advancement of ambitious women. We have already realised our target for 2023; the target for 2025 is 35% of women in top management. We want to realise our goal by raising awareness of diversity-related topics among management and directors via experience-based learning.

At Achmea, the basic principle is that women and men with the same work experience, performance and potential receive equal pay. Achmea held a review to check whether men and women do indeed receive equal pay and this was the case. More information on average salaries for men and women is given in Supplement B.

Every year, we conduct an Employee Engagement Survey (MBO) among our employees. This year again, there was a high participation with a response rate of 86% (2022: 83%).In 2023, for the first time we included questions about Inclusion in our MBO. We scored 8.0 on this.

Healthy working environment

The wellbeing and health of our employees are likewise important within the context of Sustainable Living. Together. Not only do we help our customers to do business healthily, but we also want to set a good example by creating a healthy working environment within Achmea. Last year we revised our policies on sickness, absenteeism and employability. The old absenteeism protocol has been replaced by the Employability Principles with a view to working together in the long term. Our goal here is to prevent absenteeism. The upward trend in absenteeism rates since April 2021 that peaked at 4.5% in February 2023 was halted from March 2023. In the last year, we have used an absenteeism analysis to identify specific focus areas and actions aimed at reducing these rates at each business unit. 2023 closed at an

OTHER RESULTS OWN OPERATIONS – SOCIAL TOPICS

absenteeism rate of 4.1%, below the target rate of 4.3%. In the MBO the score on the Vitality indicator was on target at 7.2.

Leadership

Our leaders play an important role in realising our objectives and coaching our employees. Last year we replaced our old leadership model with the Leadership Principles so that these are aligned with our Sustainable Living. Together vision.

These principles likewise correspond with our Achmea values BEATS (Passionate, Contemporary, Ambitious, Proud and Decisive) and provide our leaders with guidance. As we want to grow from Good to Great, we have defined key patterns in our behaviour that form the basis for the leadership development programme. In 2023, a start was made on this programme in which leaders attempt to break out of these key patterns. We score 7.5 on leadership in the MBO. As a number of questions within this theme were changed, this score cannot be compared to last year's score.

Long-term employability

Since 2022 Achmea has offered employees an unlimited, focused training budget to encourage their personal development and ensure their long-term employability. Thanks to this budget, employees have the opportunity to learn everything that contributes to their current and future roles. Employees make the case for the training course themselves and up to a sum of € 5.000 no longer require permission from their manager. In 2023, 47% of employees took advantage of this unlimited, focused training budget. On average they followed 2 training courses. This excludes mandatory training, such as on compliance, product knowledge and communications. At 7.4, the MBO scores for the Professionalism and Development & utilisation of talent indicators were the same as the scores in 2022.

Spotlight: Reverse mentoring programme

Achmea wants to bring about Sustainable Living. Together. Previous generations were able to rely on us; future generations will also be able to do so. We need to keep moving with the times, look ahead. In 2022, AchmeaNet called on young colleagues to sign up to become Young Achmentors. A Young Achmentor acts as reverse mentor to a member of the Executive Board for a one-year period. They share their insights, impressions and visions with each other. This enables Executive Board members to learn from a different generation of colleagues within Achmea and get an idea of what is going on throughout the Achmea organisation. In turn, the Young Achmentors obtain a wider picture of the organisation and managerial issues. The response was enthusiastic. Following a meticulous selection process and interviews, the Executive Board members chose their 6 reverse mentors in early 2023. They each shared their experiences throughout 2023.

Recruiting and retaining talent

Achmea is working on Strategic Workforce Management, the aim of which is for each business unit to pursue a proactive HR policy at strategic, tactical and operational level. This will enable Achmea to put its strategy into practice and in doing so we will be able to deploy, develop and promote all the talented employees in the company to the full. The idea is that Achmea has the right people with the right skills in the right place for the right salary on the right type of contract at the right time.

Last year we renewed the internal job vacancy database to stimulate internal advancement, not only making it easier to find the latest job vacancies but also adding information on opportunities for advancement and development, coaching and improved job alerts. Last year we started holding what we call Testing grounds. Here, we examine whether we can stimulate the development and advancement of employees by matching job vacancies and training courses to the skills and wishes of employees.

Under the motto of doing recruitment together, last year we enhanced collaboration with the business units in this regard, including via thought leadership. This involves putting forward colleagues from the business units to work with study associations at colleges of higher education and universities. Colleagues from throughout the company are also encouraged via a referral campaign to nominate people from their network for job vacancies at Achmea. This has resulted in a brand awareness score of 61% and an increase in the number of appointments of 32%. The tight job market is noticeable in certain target groups. The length of time that

OTHER RESULTS OWN OPERATIONS – SOCIAL TOPICS

vacancies remain unfilled has grown to about 12 weeks here and on average there are fewer candidates per job vacancy.

To attract the right candidate, we are conducting more and more campaigns to increase brand awareness among specific target groups. In part thanks to these campaigns, we are seeing an upturn of 24% in brand awareness among starters in these target groups. The inflow, advancement and outflow rates of our employees in the Netherlands were 8.8% (2022: 8.5%), 20.6% (2022: 19.4%) and 7.3% (2022: 8.0%) respectively in 2023.

Last year Achmea held talks with the trade unions on a new collective labour agreement. We opted for a process involving employee participation to reach a widely-supported collective labour agreement that does justice to the diversity in our company. Employees were able to tell us which topics they find important in a new collective labour agreement via panels and an employee survey. They could also vote on the outcome of the negotiations on the collective labour agreement. Votes were cast by 74.8% of those employees covered by the collective labour agreement, with 92% voting in favour of the resulting agreement. The majority of FNV Finance and CNV Vakmensen members voted in favour of the resulting agreement too. This means that a collective labour agreement that applies from 1 December 2023 up to and including 31 August 2025 has been agreed with all three of the trade unions (De Unie, CNV and FNV). The MBO score on the Employment practices indicator declined to 8.1 in 2023 (2022: 8.3).

The NPS score for recommending Achmea as an employer likewise decreased to 26 (2022: 31). We think this decrease relates to a general tendency among employees to be more critical and therefore expect more of their employer, added to the fact that the survey was conducted during the negotiations on the collective labour agreement and Achmea had not broken up the 2023 collective labour agreement.

Participation bodies

The structure of the participation bodies within Achmea changed from 13 to 5 works councils and a Central Works Council as of 1 May 2023. The aim is to create a contemporary employee participation process in which managers and employees can participate on an equal footing. In 2023 the Achmea Works Councils held regular consultations with the management of the business units. At central level the Central Works Council held talks with the Executive Board. The Central Works Council handled a total of 13 requests for advice (2022: 26 requests for advice) and 10 requests for consent (2022: 3 requests for consent).

OTHER RESULTS OWN OPERATIONS - GOVERNANCE TOPICS

Achmea has established Sustainable Living. Together as its vision. An ethical corporate culture guides the actions of our employees and also how Achmea acts in society. And how we manage our risks provides additional guarantees. We believe in the importance of being transparent about how we act. This section addresses a number of these themes.

ETHICAL CORPORATE CULTURE AND PREVENTION OF CORRUPTION

A company's corporate culture has an impact on the customer focus, innovative ability and commitment of its employees. An ethical corporate culture also contributes to preventing fraud and corruption. And by extension to policies and measures within the context of risk management. In the Embedding in business operations section, we describe our strategy and tools for creating an ethical corporate culture and preventing fraud. We also outline how we manage risks in this section. More information can be found on our website (Fraud policy | Achmea).

DATA AND CYBERSECURITY

Data and cybersecurity are crucially important to Achmea as a financial institution due to the sensitive nature of the data it processes, such as the financial information of customers. We want to handle the data entrusted to us carefully, transparently and in an ethically responsible manner. On top of procedures and risk management, an ethical corporate culture and codes of conduct help to safeguard customers' personal data. We have policy in place to ensure that we protect customer privacy. In the Embedding in business operations section, we describe our strategy and tools for creating an ethical corporate culture and preventing fraud. We also outline how we manage risks. More information can be found on our website (Fraud policy | Achmea and Privacy statement | Achmea).

TRANSPARENT AND RESPONSIBLE TAX AND FISCAL POLICIES

Transparency on taxation is important to us and this is why we publish our tax policy on our website, provide further information and explain how we act in accordance with this policy as well as how we manage our tax risks. Our tax position is also given in our financial statements and on our website. We aim to be a responsible tax payer. This means that in every country in which we operate we ensure tax laws are applied correctly and take into account the purpose and scope of the laws. The commercial reality of a transaction is the basic principle: profit is taxed where the profitable activity takes place. The responsible payment of taxes means that we ourselves do not use structures aimed at reducing the effective tax rate, nor do we offer these to our customers. The Tax Transparency Report containing the full text of our tax policy can be found here (Tax Transparency Report).

This Tax Transparency Report and the consolidated financial statements also include information on the new legislation for levying a minimum tax on profits of 15% for businesses with a turnover in excess of € 750 million (Pillar 2). These new rules apply in the Netherlands from 31 December 2023; similar rules are to be introduced in almost all the countries in which

Spotlight: Governance for sustainability themes

In 2021, Achmea's Executive Board set up the Achmea Sustainable Together programme to implement Achmea's sustainability ambitions and corresponding plans and activities. The programme contains separate workflows for the workstreams described in this plan: Insurance and services, Investments and financing and Internal business operations. In addition, there are separate workflows for implementing sustainability legislation and reporting, the foreign operating companies and creating internal mobility. All the relevant segments are represented in the workstreams. Each workstream has defined long-term ambitions and translated these into annual targets and activities. Responsibility for each workflow lies with a member of the Achmea Directors' Council.

The programme is under the direction of a Programme Board. This Programme Board supervises implementation of the sustainability ambitions and monitors progress on these. The Programme Board, which comprises the workstream chairs, directors of a number of segments and two members of the Executive Board, takes decisions on sustainability policy and plans.

The Chief Risk Officer heads the Programme Board on behalf of the Executive Board and reports to it on a quarterly basis. All impactful decisions made by the Programme Board are presented to the Executive Board for adoption. A range of consultative bodies advise and support implementation of the workflows.

In addition to the programme, Achmea has a Sustainability team at group level. The individual business units, such as Achmea Bank, Achmea Real Estate and Zilveren Kruis, have officers who are responsible for ESG, while Achmea Investment Management has a dedicated Socially-Responsible Investment team.

OTHER RESULTS OWN OPERATIONS - GOVERNANCE TOPICS

Achmea operates. As these are new rules under Pillar 2, we are setting up a new financial process to ensure timely and full compliance with the new legislation.

ISSUED BONDS AND OTHER CREDIT FACILITIES

Achmea has issued a wide range of capital and liquidity instruments. These include ordinary share capital, hybrid capital and bonds. In 2019 Achmea arranged a credit facility that contains a number of sustainability targets. The facility amounts to € 1 billion, has a five-year term as of the issue date and includes options for two one-year extensions. In addition, Achmea set up a Green Finance Framework (GFF) for green funding in 2022. The GFF can be found on our website. Achmea intends to allocate the proceeds from the financial instruments issued under this framework to sustainable mortgages and/or investments related to new and existing energy-efficient homes in the Netherlands (Residential Real Estate) and energy-efficient commercial properties in and outside the Netherlands (Commercial Real Estate). The GFF is based on the Green Bond Principles (ICMA, 2021) and Green Loan Principles (LMA/APLMA, 2021) and has been externally rated by ISS ESG. A Second Party Opinion is available for this. The methodology has also been assessed by CFP Green Buildings; see the Methodology Report for this. Achmea issued a total of € 500 million in senior Green Bonds under this framework in November 2022. The Green Bond Allocation Report and Green Bond Impact Report can be found on the website.

EMBEDDING IN BUSINESS OPERATIONS

This section of the annual report looks at how we safeguard ethical business practices in which we manage the risks inherent to our business operations. We describe our own standards framework and the codes of conduct we apply in our work. In addition, we illustrate how risk management is structured within our company. More details on this can be found in the consolidated financial statements. We also zoom in on how we deal with the risks relating to climate change.

ETHICAL FRAMEWORK AND CODES OF CONDUCT

Achmea has established Sustainable Living. Together as its vision, a society in which everyone participates. Our actions, deliberations and the decisions we make within this are enormously important. As an insurer we also encounter ethical dilemmas and issues in the course of our work. Our ambition is to demonstrate what Achmea stands for precisely at times such as this. In our activities, Sustainable Living. Together acts as our compass. We go beyond simply complying with laws and regulations. The ethics theme is part of the Achmea-wide strategy that we are creating on sustainability and its social aspect. An ethical corporate culture forms the basis for this, one in which employees can approach each other based on trust and dare to speak out if a situation arises that is contrary to our values or code of conduct.

ACHMEA'S ETHICAL CORPORATE CULTURE AND CODES OF CONDUCT

Achmea attaches a great deal of importance to ethical business practices and an ethical corporate culture. To monitor these, we conduct an annual integrity risk analysis. We aim to prevent undesirable behaviour, amongst other ways through clear communications on the subject. In the last few years, employees have been asked to speak up if they encountered any situations that contravened our values or code of conduct. A Speak-Up page was also created that refers employees to the compliance officer and there are confidential advisers. This includes an official complaint system for dealing with complaints of undesirable behaviour and a general individual right of complaint.

We aim to be a leader in terms of our own rules of conduct and in terms of anticipating new regulations. For example, Achmea has decided to have all employees take a special oath or affirmation for the financial industry, in which they swear to carry out their work in an ethical and prudent manner. Active control, exercised to foster integrity and prevent integrity violations and fraud, limits any negative impact on trust, returns and the cost of claims. Achmea has also drawn up its own Code of Conduct to ensure ethical conduct in accordance with Achmea's values and standards.

By recording duties and responsibilities in the area of fraud, risk management and checks, the control over and limitation of fraud is secured. Should an ethics violation or incident of fraud nevertheless occur, this can be reported on a confidential basis via the Whistleblower Scheme. These codes and schemes can be found here.

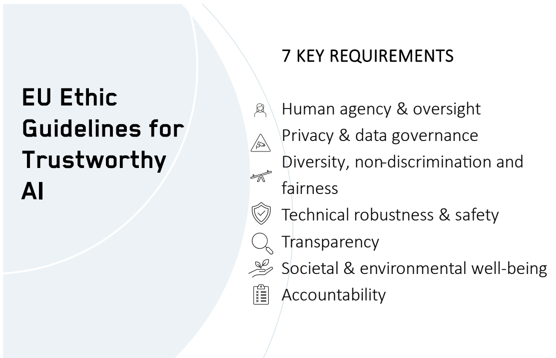
In addition to the measures, we apply internally, we also commit to abiding by a number of external codes of conduct. Achmea has signed up to the Code of Conduct for Insurers, for instance. On the basis of this Code of Conduct, insurers give more depth to their public role, drawing on their own corporate vision. Achmea is doing this by means of, for example, its vision aimed at Sustainable Living. Together, in which sustainability and social involvement play a prominent role, and has anchored this in its processes and the Achmea Code of Conduct. The services we provide to our customers also include banking products, which we offer through Achmea Bank. Achmea Bank accounts for its compliance with the Banking Code principles on its website. Achmea also voluntarily applies the Corporate Governance Code. See the section Governance for more information.

TOOLS FOR ETHICAL CONDUCT

Aside from the focus on an ethical corporate culture, we make room in our work for deliberations on what 'correct' conduct means within Achmea. Many of these guidelines form part of our standard work as they are incorporated into policy, models and processes.

Ethical Framework for Data-driven Decision-making

The Ethical Framework for Data-driven Decision-making is one of the Key Customer Centricity Codes under self-regulation by the Dutch Association of Insurers (Verbond van Verzekeraars). This code is based on the framework of the EU High-Level Expert Group on Artificial Intelligence. Four ethical principles form the starting point here: respect for human autonomy, prevention of harm, fairness and explicability. These are subdivided into 7 key requirements containing a total of 30 standards with which association members must comply.



These standards set out basic principles for the responsible use of artificial intelligence, chatbots and other data-driven applications in core processes, such as acceptance policy, setting premiums, fraud policy and claims handling. The goal of the framework is to prevent us discriminating against, excluding and treating our customers unfairly. For instance, our customers must be able to recognise that our chatbots are 'non-human'. Customers have the right to reassessment by an employee, for example if they are rejected during the acceptance process. We are well aware that the use of data and data-driven applications can be at odds with the concepts of privacy and non-discrimination and we take this into account. As an innovative digital insurer, we attach great importance to compliance with this framework and for this reason all the Achmea business units do so and not just those parts of Achmea that are association members. This is aligned with Achmea practices and existing models and processes, such as the Product Approval Review Process (PARP) and Privacy Impact Assessment (PIA) for new and existing products and services.

ETHICAL FRAMEWORK AND CODES OF CONDUCT

Achmea Ethical Wheel

The Ethical Wheel was developed as a component of how we implement the Ethical Framework for Data-driven Decision-making. It is a tool that can be of assistance in the debate on what constitutes correct conduct and the potential dilemmas that can arise in this respect. The Ethical Wheel uses a number of questions to discuss ethical issues in the work process and define the deliberations and decisions within this. All our employees can set to work with this tool.

Ethics Committee

Achmea has an Ethics Committee that comprises colleagues and external members and advises on ethical issues. These are generally issues that affect many different dimensions and a variety of departments and cannot easily be solved within a team. Topical themes include: digitisation (cookies, algorithms), experimental care needs and socially responsible investment. It also deals with individual confidential cases.

Training and communications

To underpin our ethical corporate culture, we ask all our employees to attend an ethics training course; the version for those in supervisory positions is more in-depth. Ethical Framework and Ethical Wheel workshops are also offered to promote use of the ethics tools, enable employees to test them in practical situations and facilitate discussion of dilemmas. Continuing education sessions were organised on this theme last year as well, including for members of the Directors' Council and Vereniging Achmea Council of Members. In terms of both training and communications our ambition is to raise awareness of our ethical conduct within the company. A new central and online one-stop shop has been set up internally where all this information can be found.

MONITORING AND EMBEDDING IN WORK PROCESSES AND POLICY

We monitor the presence of an ethical corporate culture, compliance with codes and use of tools in several ways, such as via the annual Employee Engagement Survey (MBO). Progress on Inclusion is also something we keep track of, including how safe employees feel within a team. This year the results were as high as ever (score: 8.6).

Year-end 2023, about 91% of our internal and external employees had successfully completed the abovementioned ethics training course.

Violations of codes of conduct and regulations can be reported via confidential advisers. In total, there were 21 confidential advisers (20 internal and 1 external) in 2023. They dealt with 118 cases in 2023 (2022: 74 cases). In 2023, 4 complaints were submitted to the Undesirable Behaviour Complaints Committee. One incident was reported under the Whistleblower Scheme in 2023. This is still pending. There were no reports in 2022. The internal confidential advisers have indicated that they are assisting 2 employees in relation to the Whistleblower Scheme (behaviour and deliberate misconduct), but this is not (yet) a formal report.

The business units carried out the annual update of the Systematic Integrity Risk Analysis (SIRA). The legal obligation to do this lies at the level of the supervised entities. Execution of this analysis within Achmea adheres closely to De Nederlandsche Bank (DNB) good practices. The SIRA provides insight into the integrity risks to which the business unit is exposed and the extent to which these are managed. The up-to-date list of SIRA outcomes was established by the management boards and approved by the Supervisory Boards of these entities. Tangible follow-up actions focus on embedding Customer Due Diligence (CDD) and cybercrime-related risks. These topics are subject to short-cycle monitoring by working groups.

As a member of the Dutch Association of Insurers, Achmea complies with the self-regulation standards. The standards of the Dutch healthcare authority (NZa) apply to our health insurers. This self-regulation comprises the Key Customer Centricity Codes that form the basis for regulation but also other standards such as the process codes. Self-regulation is mandatory for all association members. Assessment is carried out by independent auditor Stichting Toetsing Verzekeraars (Stv, Foundation for the Review of Insurers).

The Ethical Framework for Data-driven Decision-making applies from 1 January 2021 and was assessed for the first time in 2023. The scope of the assessment was Achmea's approach to rolling out this new framework together with the insurance process at Non-life Retail and Term life insurance. The Stv awarded Achmea's approach a satisfactory score (no reassessment was required) and called it one of the best practices in the insurance sector. The foundation gave a high rating to the way the thirty standards from this framework are structurally embedded in Achmea policy and work processes. This also applied to use of the Achmea Ethical Wheel as a tool in discussions on ethical issues in the workplace. The next assessment for this framework is scheduled for 2025.

Achmea successfully completed the first three-year key code assessment cycle in 2023. This yielded positive results for the Codes of Conduct on Information Provision and Claims Handling. A score of satisfactory was awarded to the Quality Code on Legal Assistance at Stichting Achmea Rechtsbijstand. The reassessment for LegalShared will be completed in early 2024. The new assessment cycle started this autumn with the new Protocol for Payment Arrears key code.

RISK MANAGEMENT

Effective risk management is essential for Achmea's continuity, and for maintaining a long-term relationship with our customers and other stakeholders. Risk management involves identifying risks, implementing the correct measures, monitoring and reporting on risks. It is not so much a matter of avoiding risk, but rather of making well-informed decisions about the risks to be accepted in realising the business objectives.

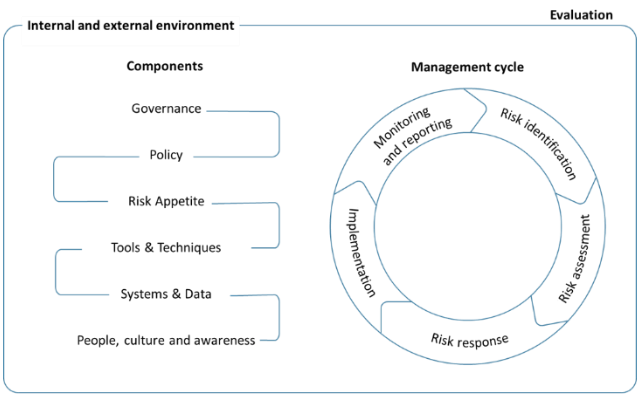
We apply an integrated approach to risk management and capital management. The principles in relation to the capital and solvency position are therefore important to defining Achmea's risk appetite. This is reflected in the annual Own Risk & Solvency Assessment (ORSA) in which Achmea assesses its risk and capital positions in conjunction with each other.

This Executive Board Report describes our risk management and internal control system in brief, primarily its governance structure. The Notes to the consolidated financial statements Achmea B.V. (Note 2. Capital and Risk Management) contain more information on Achmea's capital and risk management.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Integrated Governance, Risk and Compliance (IGRC) system describes the structure and implementation of the risk management and internal control system at Achmea. The Governance, Risk and Compliance structures can be viewed separately but are only effective when implemented and applied collectively.

The framework depicted in the figure below ensures consistency and cohesion and contributes to consistent information for decision-making and monitoring, a uniform approach and structuring and prioritising of business activities and the key compliance, risk management, actuarial and internal auditing functions. Monitoring of the internal and external environments is essential to maintaining and implementing the IGRC, with a specific focus on emerging risks and (future) laws and regulations. Based on the knowledge of developments in the internal and external environments, risks are identified, assessed, managed, monitored and reported on via an ongoing process in the



RISK MANAGEMENT

Michiel Delfos

Member of the Executive Board and responsible for Risk management

We are seeing ever more frequent examples of extreme weather. Climate risks are growing, resulting in more damage or loss for our customers and for society. Climate mitigation is a key element of Achmea's Climate Transition Plan. We have set ambitious targets to reduce carbon emissions and in doing so combat climate change. At the same time, we are examining options for restricting climate risks through adapting our organisation. In 2023, we took the lead in generating ideas and advice on how the financial sector can work on climate adaptation together with the government and businesses. We presented a report to outgoing Minister Harbers of Infrastructure and Water Management in December. In early 2024, we discussed the report with administrators in Brussels, where climate adaptation is high on the agenda of the new European Commission.

Climate change affects Achmea on two sides of the balance sheet. In our role as an institutional investor we likewise wield our influence to encourage the companies in which we invest to accelerate the transition to a sustainable economy. In 2023, out of all Dutch asset managers Achmea Investment Management voted most frequently in favour of sustainability resolutions at shareholder meetings.

IGRC management cycle. The IGRC instruments and techniques provide tangible and practical support for implementing the risk management cycle.

The key components of the Governance structure are the Three Lines of Defence model, the Risk Committees and the Solvency II key functions.

Three Lines model

Achmea's governance structure is based on the Three Lines model. This Three Lines model is in place for all the supervised entities. Achmea's line organisation bears primary responsibility for the IGRC. The Executive Board and business management ensure a sound basis for the design and execution of the IGRC. The presence of a Chief Risk Officer on the Executive Board helps ensure a permanent focus on this in our business operations.

The Executive Board renders account to the Supervisory Board and general meeting of shareholders of Achmea B.V. The first line is supported by the second line, which is also responsible for maintenance of the IGRC, support in

RISK MANAGEMENT

execution and monitoring and reporting on execution by the first line. The third line complements these activities by carrying out periodic testing of the whole IGRC and reporting on this.

Risk Committees

Achmea has Risk Committees both at group level and within the business units:
- the Audit & Risk Committee assists the Supervisory Board in its supervisory role.
- the Group Risk Committee (GRC) provides a framework and advises the Executive Board. The GRC has instituted as sub-committees the Model Approval Committee (MAC), the Privacy Board and the Information Security Board. The MAC has a delegated responsibility for approving risk models.
- The Asset Liability Committee (ALCO) is an executive and advisory committee of the Executive Board that focuses specifically on optimising and monitoring the composition of Achmea's capital and liquidity positions and investments.

As with the GRC at group level, the business units have local risk committees that focus on managing risks, where necessary complemented by specific committees such as the Product Approval and Review Process (PARP) Committees, the Underwriting Committee at Achmea Reinsurance Company N.V. and the Asset & Liability Committee and Credit Committee at Achmea Bank N.V.

Key functions

Legislation and regulations lay down requirements for the compliance, risk management, actuarial and internal audit functions, both at group level and for the insurance entities under supervision:
- At group level the compliance, risk management and actuarial functions are fulfilled by the central Compliance, Risk Management and Actuarial staff departments. These functions report to the Chief Risk Officer in the Executive Board but also have direct and unlimited access to the management boards of the business units, the Executive Board, the Audit & Risk Committee and the Supervisory Board, as well as a formal escalation line to the chairs of the Executive Board, the Audit & Risk Committee and the Supervisory Board.
- The internal audit function at group level is fulfilled by the central Internal Audit staff department. This reports to the chair of the Executive Board, has a formal information and escalation line to the chairs of the Audit & Risk Committee and the Supervisory Board, and has direct and unlimited access to all business units.
- The compliance, risk management, actuarial and internal audit functions have also been set up for the supervised insurance entities, with these functions being carried out for the Dutch insurance entities by the abovementioned departments.

Spotlight: Central KYC Centre Achmea

Achmea set up a Know Your Customer (KYC) Centre in 2023. All Customer Due Diligence (CDD) tasks within Achmea are gradually being amalgamated in the KYC centre: some of the activities in 2023 and the remainder in 2023.

What significance does the KYC Centre hold for Achmea? Unfortunately, money laundering also occurs in the Netherlands. Criminals launder a sizeable portion of that amount through banks and insurers. We therefore want to know who our customers are and what they do with our products. With this we attempt to exclude unethical customers. Combining all our CDD activities in a single KYC centre within Achmea can further reduce the risk of money laundering.

It enables us to concentrate a lot of relevant knowledge in one place within Achmea, thus supporting the business, and ensures that we all work in the same way. In addition, we are building an IT platform on which we will carry out all the CDD assessments. All the details of our customers will be recorded in a single system. This will help to digitise the process. The (legal) requirements and expectations of supervisory authorities with respect to CDD continue to grow and legislation and regulations are constantly changing. In light of these developments, Achmea has opted for a future-proof set-up for this important topic.

RISK MANAGEMENT

- The international insurance entities have their own compliance, risk management and actuarial functions. These functions report to the entities' boards of directors and have a formal information and escalation line to the chairs of the Audit & Risk Committee and the Supervisory Board as well as direct and unlimited access to all business units.
- For Zilveren Kruis Zorgkantoor N.V., Centraal Beheer PPI N.V. and the investment entities (Achmea Investment Management B.V., Syntrus Achmea Real Estate & Finance B.V., under the trading names Achmea Real Estate and Achmea Mortgages) the mandatory risk management and internal audit functions are installed at group level. Both the mandatory compliance and risk management functions are fulfilled at local level for Achmea Bank N.V.

More detailed information on risk management, including a description of the corresponding controls, is given in Note 2. to the consolidated financial statements (Capital and Risk Management).

IN DETAIL: RISK MANAGEMENT OF CLIMATE CHANGE (TCFD)

We aim to make sustainable solutions accessible to our customers through our Sustainable Living. Together vision. This is our way of showing that we are assuming responsibility for the world of tomorrow. Our strategy is aimed at making ourselves, our customers and society more resilient to the consequences of climate change and stimulating the transition to a climate-neutral society. We aim to help our customers to restrict the negative impact of climate change as much as possible. This is in the interest of both customers and Achmea. In the interest of customers, as it means they do not have to face the direct and indirect repercussions of damage or loss and in the interest of Achmea, as it enables us to control the cost of claims and other insurance-related payments and in doing so keep insurance affordable for our customers.

Climate change also has an impact on us and on our options for realising strategic and financial objectives. In this section we describe how we identify, assess and manage these risks. We do this on the basis of the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). In this section of the annual report, we specifically look at the recommendations relating to Strategy and Risk Management. Supplement G. lists the TCFD recommendations and refers to the parts of the annual report in which we deal with these.

OUR APPROACH TO IDENTIFYING, ASSESSING AND MANAGING CLIMATE CHANGE RISKS

To understand, restrict and adapt ourselves to the potential repercussions of climate change, we first need to understand the risks and opportunities most relevant to our business activities. We therefore conduct qualitative and quantitative risk analyses to obtain insight into the potential consequences of climate change. This forms part of the annual Own Risk & Solvency Assessment (ORSA). Here, we evaluate the impact that climate change can have on our balance sheet, income statement and solvency position in the short and longer terms. In doing so we also examine the impact on our strategy, reputation and operational services. We conduct this analysis for our (re)insurance portfolios, investment portfolio and own business operations. The insights on climate change from the various Intergovernmental Panel on Climate Change (IPCC) reports and the specific translation to the Netherlands by the Royal Netherlands Meteorological Institute (KNMI) are the starting point for the risk analysis, as are the strategy and climate transition goals and our sustainability approach and organisation.

When it comes to climate risks, we distinguish between physical and transition risks (see the figure).

CLIMATE-RELATED RISKS

PHYSICAL RISKS

These are the risks relating to the physical effects of climate change. They may be event-driven (acute), such as an increase in extreme weather conditions (e.g. drought, flooding), but also relate to a long-term adjustment (chronic) to e.g. temperatures, precipitation and rising sea levels and greater variability in weather patterns.

TRANSITION RISKS

These are the risks relating to the transition to a low-carbon global economy. They are connected to policy changes by e.g. governments and legislative measures, technological changes, the response from markets and reputational damage.

FINANCIAL IMPACT

The table on the next page summarises the financial impact of climate-related risks on those of our activities that are most sensitive to climate change, classed according to different time horizons. In the chapter In Dialogue with stakeholders and material topics, a gross approach has been assumed, i.e. without the effect of controls. The expected financial impact in the table in this chapter is included after *the effects of current and potential controls*. This impact has mainly been defined qualitatively and where possible supplemented with quantitative data.

Insurance

The financial impact of climate-related risks is particularly uncertain in the long term. This applies to both physical and transition risks. We expect there to be a minor financial impact on the health business and pension and life insurance business. Due to the terms and conditions of health insurance coverage and the way in which premiums can be adjusted (annually) to gradual developments, the relative impact in the short and medium term does not seem to be significant. However, the impact of climate change involving potential periods of heat and cold could have repercussions for our pension and life insurance portfolios via the effect on mortality risk. The mortality rate rises during heatwaves or severe winters. Climate change is causing heat-related excess deaths to increase and cold-related excess deaths to decline. Yet given the Netherlands' geographic location, health system and infrastructure, we expect this to have a very small impact. This is also expected to have a minor impact on income protection insurance.

Property & Casualty - Physical risks

In the case of physical risks, it is possible to distinguish between the volatility of weather-related risks and trends within these. With respect to climate change, this involves the trend in events (potentially) becoming more serious or more frequent. Climate change will cause weather conditions to change, although it is not yet clear by how much or exactly when this will happen. Climate change will probably lead to heavier thunderstorms with extreme rainfall or hail and

IN DETAIL: RISK MANAGEMENT OF CLIMATE CHANGE (TCFD)

strong gusts of wind, but also to extended periods of drought. Furthermore, we can identify a global slowdown in the speed at which low pressure areas move which, if these are accompanied by precipitation, can cause a great deal of localised flooding. No clear trend is visible in Achmea's claims data over the past 25 years. We nevertheless anticipate an upward trend in claims relating to extreme summertime weather in future. In the long term, climate change could also increase the risk of flooding owing to rising sea levels. In the Netherlands, the risk of flooding due to the failure or a breach of primary flood defences (dikes, dams or dunes offering protection from the sea, large inland waterways or major rivers) is excluded for building and contents insurance but covered under hull insurance for motor vehicles, for example. Since 2021, we have opted to include cover for damage caused by flooding due to a failure in non-primary flood defences in building and contents insurance policies for retail customers and since 2022 for building and contents insurance policies for the commercial market. This allows us to offer our customers greater security. Adaptive measures taken by the Dutch government as part of the Delta Programme reduce the flood risk. On balance, this means that climate change is not expected to have a severe effect on flood risk in the next few decades, but it is harder to estimate the impact in the second half of this century.

In addition to flooding, periods of drought are also likely to become more common in the Netherlands. The consequences of drought, such as a drop in groundwater levels or soil subsidence, are not covered under a building and contents policy and at the same time it is difficult for owners to mitigate these.

In Greece, Turkey and Australia in particular, the growth in periods of drought is increasing the risk of wildfires. The effect of climate change on tropical cyclones is complex; these storms tend to move more slowly and are accompanied by more precipitation, which is pushing up the cost of claims. Severe tropical cyclones will probably become more extreme in a changing climate. This could have repercussions for the cover provided by the insurance policies that Achmea Farm Insurance in Australia is able to offer its customers.

From the regular insurance business processes and the Achmea Sustainable Together programme, we carry out activities to manage the insurance business risks from the perspective of climate adaptation. This involves promoting prevention, adjusting premiums where necessary and an effective reinsurance programme. In 2023, a hardening of the insurance market was visible on renewal as of 1 July 2023, partly in response to the high rate of inflation, negative investment results and an increase in reinsured claims. Achmea's reinsurance programme in 2023 was also unable to escape the hardening on the reinsurance markets; our reinsurance programme was placed at a higher reinsurance premium combined with higher own retention

Property & Casualty - transition risks

Transition risks for property & casualty insurance could arise due to changes on the road to a low-carbon economy. New green energy technologies will gradually replace fossil fuel-

POTENTIAL FINANCIAL IMPACT ON ACHMEA'S MOST CLIMATE-SENSITIVE ACTIVITIES

<table>
<tr><th colspan="2">Expected financial impact</th><th>Short term
(0-5 years)</th><th>Medium term
(5-10 years)</th><th>Long term
(> 10 years)</th></tr>
<tr><td rowspan="2">Property & casualty insurance (including greenhouse)</td><td>Physical risks</td><td>Minor impact owing to annual adjustment to (reinsurance) contracts and premiums.</td><td colspan="2">Minor impact owing to annual adjustment to (reinsurance) contracts. Results may become increasingly volatile owing to more frequent and more severe events and higher own retention. This could lead to premium measures in response to developments on the reinsurance market and trends in claims. Uncertainty is growing.</td></tr>
<tr><td>Transition risks</td><td>Minor impact owing to annual adjustment to (reinsurance) contracts and premiums.</td><td colspan="2">Restricted by annual adjustment to (reinsurance) contracts and premiums. Impact and volatility could temporarily increase as a result of new risks relating to new products that have not yet been fully priced in.</td></tr>
<tr><td rowspan="2">Investments in equities and corporate bonds</td><td>Physical risks</td><td>Minor impact owing to diversification. Also restricted by highlighting climate policy at investee companies via engagement and voting at shareholder meetings.</td><td colspan="2">Minor impact owing to diversification and liquid portfolio for quickly making adjustments as new developments occur. Uncertainty and volatility are growing.</td></tr>
<tr><td>Transition risks</td><td>Minor impact owing to lack of global political consensus on implementing climate-related policy. Broad diversification and liquid portfolio for quickly making adjustments as new developments occur. Use of ESG monitoring, engagement and exclusion.</td><td>Minor impact but uncertainty and volatility are growing. Broad diversification and liquid portfolio for quickly making adjustments as new developments occur. Use of ESG monitoring, engagement and exclusion.</td><td>Uncertainty is growing. Broad diversification and liquid portfolio for quickly making adjustments as new developments occur. Use of ESG monitoring, engagement and exclusion.</td></tr>
<tr><td rowspan="2">Investments in real estate/mortgages</td><td>Physical risks</td><td>Minor impact. Small portion of the portfolio classified as a cumulative risk of foundation problems (pile rot, subsidence) and flooding.</td><td colspan="2">Minor impact but uncertainty about potential impact of the effects of climate change is growing. The impact will increase in the longer term owing to flood risk. Stranded assets could be an issue for specific locations.</td></tr>
<tr><td>Transition risks</td><td>Minor impact owing to drive to improve energy labels in line with climate transition. (Even) distribution of portfolio according to energy labels relevant to mortgage portfolio.</td><td colspan="2">Minor impact owing to drive to improve energy labels and make portfolio more sustainable. Uncertainty is growing.</td></tr>
</table>

IN DETAIL: RISK MANAGEMENT OF CLIMATE CHANGE (TCFD)

based technologies. This will transform the energy market and, in turn, the nature of insured assets. This might include the use of solar panels, heat pumps etc. These new technologies bring other new risks with them as well, such as the potential fire risk of electric vehicles. We assess on an ongoing basis whether these developments will lead to adjustments to insurance terms and conditions, premiums and acceptance policy.

Investments and financing

Investments in equities and corporate bonds

Short-term physical risks play a minor role in the investments in equities and corporate bonds. The negative effects of climate change, such as storms, precipitation, drought or flood, can affect the results of the companies in which we invest through the disruption of business operations, for instance due to temporary stagnation or logistics problems. This can lead to a decrease in the value of a company or in theory even to the company going bankrupt. We hold a diversified investment portfolio that serves to restrict the financial impact on us when these physical risks occur at individual companies. Furthermore, we expect the companies in which we invest to pursue a sound climate policy in their own interests as well. We exert our influence here through our engagement and voting policy.

Transition risk is the most dominant risk in the investment portfolios. Transition risks may arise in corporate investments

Spotlight: Quantification of long-term climate risks for property & casualty insurance

The ORSA gives insight into the impact of natural disaster scenarios in the short term for the property & casualty insurance businesses within our group. Several scenarios have been calculated for extreme weather conditions. These show that all the Dutch property & casualty insurance entities are sensitive to weather-related shocks that lead to a sharp reduction in the amount of capital. It is likewise clear that Achmea's reinsurance programme (including the option of own retention) offers sound protection for the solvency position at Achmea Group level and in the property & casualty entities. Attention is also devoted to the long-term climate scenarios in the ORSA. Using a qualitative approach, the relationship between climate change and the potential claims impact per insurance sector was first established for each climate-related type of risk. The outcome is shown in the table below. Of the trends in weather risk expected by the Royal Netherlands Meteorological Institute (KNMI), the increase in hail risk will have the greatest impact on the Dutch non-life insurance portfolio.

ASSESSMENT OF VULNERABILITY OF PROPERTY & CASUALTY INSURANCE (BASED ON COMBINATION OF EXPECTED CLAIMS AND EXTREME SCENARIOS)

RISK	LONG TERM TREND	VULNERABILITY								
		Home	Vehicle	Recreational crafts	Business building/contents	Business interruption	Greenhouse industry	Greenhouse industry crops	Outdoor crops	Transport
Winter storms	=	***	**	*	***	**	**	**	*	**
Summer storms	⇧	**	*	*	**	*	**	**	*	*
Lightning	⇧/=	*	*	0	**	**	*	*	-	*
Hail	⇧/=	**	***	*	**	*	***	***	***	*
Precipitation	⇧	**	*	0	*	*	0	0	-	*
Flood: primary	⇧/=	-	**	*	-	-	-	-	-	*
Flood: non-primary	⇧/=	**	*	*	**	-	**	-	-	*
Snow/frost	⇩	*	*	*	**	**	***	***	-	*
Drought	⇧	-	-	-	-	-	-	-	-	*
Wildfire	⇧	*	*	0	*	*	*	*	*	0

⇧ Increased risk
⇩ Decreased risk
= Risk unchanged or unclear

*** Vulnerable
** Moderately vulnerable
* Somewhat vulnerable
0 Immune
- Not covered

Based on an analysis of the current claims data in the internal model, we can conclude that a large portion of the current cost of claims derives from causes other than weather-related causes such as storms, hail and flood. For example, about 80% of the total claims for buildings and contents comes from non-weather-related causes such as fire and burglary. Approximately 10% of the claims relate to winter storms, which according to the KNMI are largely insensitive to climate change. Only 10% of the claims are sensitive to other weather-related causes that are often linked to thunderstorms (extreme rainfall, hail, strong gusts of wind). These weather-related causes may be sensitive to climate change. Incidentally, the weather-related portion is more dominant in the greenhouse industry. For weather-related causes such as storms, precipitation and hail, the most likely scenario is the Representative Concentration Pathways (RCP) 4.5 scenario (increase of nearly 3°C in 2100) and the worst-case scenario is the RCP 8.5 scenario (increase of nearly 5°C in 2100). An indicative calculation was made of the higher claims under the scenarios based on insights from a recent scientific publication on storms and hail scenarios in the 21st century. The claims are 30% higher for the RCP 4.5 scenario and 60% higher for the RCP 8.5 scenario. Results suggest that the rise in claims for fire insurance and hull insurance for motor vehicles will still be relatively small. The increase will be considerably larger for hail insurance and greenhouse industry insurance, but in the latter tempered glass offers highly effective protection against small and medium-sized hailstones. These results are corroborated by a vendor model that can be used to analyse the impact of climate change on hail risk.

IN DETAIL: RISK MANAGEMENT OF CLIMATE CHANGE (TCFD)

in the short term, especially if they are the result of abrupt policy changes and/or new attitudes to sustainability in society. Governments and regulators have begun to develop proposals to guide business and financing activities and convert them into more sustainable alternatives. The European Commission's action plan for financing sustainable growth is an example of this. New attitudes to sustainability in society, often propagated by climate action groups, can affect corporate results, whether or not exacerbated by changes to a company's reputation. As a result, during the transition investments can drop in value (temporarily) or become completely worthless in the long term (known as stranded assets).

As the required global political consensus is currently (still) lacking to introduce climate-related policies, we expect any financial impact to be small in the short term, especially given the portfolio diversification across businesses, sectors and regions.

We expect climate change to occur gradually. This gives us the opportunity to adjust our investment strategy for equities and corporate bonds in plenty of time from a risk and return perspective. Monitoring ESG risks with the aid of the Low Carbon Transition Score provides us with insight here and supports the process of making adjustments to the portfolio where necessary.

Via our Socially Responsible Investment (SRI) policy we want to make an impact while reducing our exposure to carbon-intensive sectors. We do the latter by excluding certain companies from our investment policy for equities and corporate bonds, but also by engaging in dialogue with companies on their impact on climate change. The fossil sector is coming under particular scrutiny. We defined our climate transition strategy for corporate investments in 2021 and updated it in 2023. A gradual reduction in exposure to carbon-intensive sectors will reduce the risks associated with them.

Real estate

Physical risks play an important role in real estate as exposure to changed heat, precipitation, drought or flood predictions has an impact on property values. Over the past few years, we have taken steps to provide insight into the climate effects on our real estate portfolio. Data from Climate Adaptation Services (CAS) was used to obtain insight into several climate effects and we conclude that these risks are minor in the short term. Government measures could effectively restrict the impact of all these risks. The long-term impact is difficult to estimate, as it is for property & casualty insurance. In the longer term, the impact will grow due to uncertainties about flood risk.

Transition risks occur in real estate as a result of technological developments, policy adjustments and market sentiment. Like other sectors, the property sector is facing tougher requirements for energy efficiency, which can directly impact value. We have a climate transition policy that, in our opinion, limits both the financial and reputational risks arising from the transition. In addition, we spend a great deal of time on further understanding the potential impact of climate change on the real estate portfolio and use this as a basis for mitigating or adaptive measures.

Mortgages

Achmea Bank's mortgage portfolio consists of residential mortgages with collateral in the Netherlands. This portfolio is subject to both physical and transition climate-related risks.

The physical risks of the mortgage portfolio are collateral-specific. The location and building-specific features are of importance to the exposure to several types of physical risk, including foundation problems (pile rot, subsidence). A risk analysis of our mortgage portfolio shows that only a small portion of it is exposed to three or more physical risks. Another relevant aspect here is the fact that only part of the physical risks can be insured at the moment. The financial risks will grow in the longer term due to uncertainties about flood risk. Transition risks are harder to pinpoint than physical risks, with trends in house prices being relevant to mortgage portfolios. These will be driven by transactions, which in turn are affected by regulations governing the marketability of residential properties with specific energy labels or the preference of households for living in energy-efficient housing. We have a climate transition policy in which several measures are taken that, in our opinion, limit both the financial and reputational risks arising from the transition.

Spotlight: Climate risks based on Climate Value at Risk (CVaR)

In collaboration with Achmea Balance Sheet Management, Achmea IM started developing a CVaR-based approach for quantifying climate-related physical and transition risks at the end of 2021. CVaR aims to estimate the sensitivity of the investment portfolio's market value to climate risks and opportunities posed by different climate scenarios over a period of 15 years. The model that is currently used only focuses on our equity and corporate bond portfolios.

In 2022, we obtained initial insights for the investments on the basis of CVaR. For the 1.5-, 2- and 3°C global warming scenarios, calculations were carried out to obtain insights into the size of potential losses and the extent of relative differences between sectors and companies. The data will be updated annually based on the portfolio levels and adjustments to the model and/or expansion of data (e.g. to include government bonds). For now, these insights are indicative and no firm conclusions can be drawn from them. Insights are evolving and as a result this instrument is expected to grow in value over time.

IN DETAIL: RISK MANAGEMENT OF CLIMATE CHANGE (TCFD)

Government bonds

The cost of economic damage caused by (extreme) physical climate events and for climate adaptation may fall to sovereign states. This could negatively affect creditworthiness. In the short term, the risk of negative effects is estimated to be low. This may change in the long term, however, as sovereign states will need to make a variety of investments to achieve their own climate transition goals. When allocating our investments, we monitor these developments closely. This enables us to restrict the financial risks.

IMPACT ON REPUTATION

We are exposed to reputational risk if we are unable to achieve our climate transition goals and/or our climate transition policy deviates from that of other companies in a negative sense. By communicating externally on our carbon reduction targets, we undertake to meet these and at the same time run a higher risk if we are unable to do so. The activities of climate action groups can also give rise to reputational issues.

Our sustainability strategy, Achmea Sustainable Together programme and other sustainability activities demonstrate that the climate is a topic close to our hearts. In addition, it gives us a focus for timely compliance with relevant laws and regulations. And on top of all this, it means we are unlikely to be the focus of negative media attention. The abovementioned activities ensure clear identification and monitoring of aspects that are sensitive in terms of reputation.

In the longer term, uncertainties and therefore reputational risks will increase, for example because of new attitudes to sustainability in society and mounting juridification. This is reflected in the growing number of global legal disputes with companies on, for instance, greenwashing, claims for (environmental) damage or enforcing faster reductions in fossil energy use. Achmea, but also our customers, could be directly or indirectly confronted with this. Uncertainty can also arise about the realisation of our transition targets for reducing carbon emissions (especially Scope 3). Here, key measures focus on actively encouraging positive climate behaviour among our customers.

IMPACT ON STRATEGY

It is extremely likely that, as a result of the transition, we will need to (gradually) adjust the strategy to seize opportunities, serve our customers properly from a social perspective and achieve our climate transition goals. Changes to strategy may also be triggered by more extreme situations in which we (and potentially parts of the insurance sector) are 'forced' to make difficult decisions. The question is then whether our position versus the competition will change.

IMPACT ON OPERATIONAL BUSINESS OPERATIONS

Climate change and the energy transition can also have an impact on our customer service if our business operations are disrupted by incidents. This might include (prolonged) power cuts, for instance. Business Continuity Plans take physical weather risks and power cuts into account. This is also ensured by, for example, our policy of allowing employees to work 'anytime, anywhere' and by strategic choices in our outsourcing of IT and infrastructure. This is therefore estimated to be a low risk.

OPPORTUNITIES ARISING FROM CLIMATE CHANGE

Climate change can also yield opportunities. We want to offer insurance and services that help to prevent or restrict the financial repercussions of climate change and reduce our overall carbon footprint. Read more on this in the section Results for our contribution to environmental themes.

GOVERNANCE

This section of the annual report explains the major topics discussed by the Supervisory Board and its committees during 2023. The Corporate Governance section explains Achmea's governance as well as the main codes of conduct. This part of the annual report fulfils the requirements from the Corporate Governance Code that Achmea voluntarily applies. Finally, the biographies of the directors are provided.

SUPERVISORY BOARD REPORT

2023

The Supervisory Board shares the Executive Board's view that Achmea is well on track with the strategic ambitions set as a goal in the three-year strategic plan 'The Sum of Us'. The Sum of Us is the strategy through which Achmea aims to put its Sustainable Living. Together vision into practice.

The application of IFRS 9/17 will cause greater volatility in the results because of the integral recognition of market value developments for both investments and the provisions in the income statement. Over the past year, financial markets recovered from the turbulent 2022. Together with the Executive Board, the Supervisory Board is keeping a close eye on the development of the underlying operational result. It can be noted with satisfaction that Achmea achieved a good operational result and net result in line with its long-term ambitions in 2023.

Over the past year, the agenda of the Supervisory Board has focused on progress towards the realisation of the strategy and Group Business Plan. Attention was also given to the Executive Board's guidance on integral value creation, including structural improvements in cost efficiency and other efficiency improvements and company-wide digitisation, capital & balance sheet optimisation, innovation, commercial excellence and international growth. In addition, over the past year, the Supervisory Board also held extensive discussions with Executive Board regarding the long-term strategic development of Achmea. Those discussions examined Achmea's long-term earnings model and strategic footprint. As part of the long-term strategy, the Supervisory Board discussed the strategic options regarding the portfolios of the Pension and Life business, for which it is important to continue seeking ways to operate as efficiently as possible. Opportunities in the market were also explored, including those arising in the pension market with the introduction of the Future Pensions Act (Wet Toekomst Pensioenen).
We also examined the opportunities from the perspective of making greater use of Achmea's unique strengths and capabilities, particularly the successful long-standing experience in the Netherlands and Greece with the direct claims model as well as the continued digitisation and deployment of data.

The major transitions we face as a society in terms of sustainability and climate and developments relating to data, digitisation and artificial intelligence, including the ethical dimensions, are regularly on the Supervisory Board's agenda. The Supervisory Board endorses the Executive Board's view that these transitions require active contribution and direction. Achmea acts accordingly based on its cooperative roots, based on customer interests and with committed and stable shareholders.

2023 was marked by geopolitical tensions, high inflation and weather and natural calamities. An earthquake in Turkey had a major impact on our customers and our colleagues at Eureko Sigorta in Turkey. We also saw extreme weather situations in many places in Europe with an impact on our customers, colleagues and society. These events were experienced within Achmea as 'moments of truth', in which Achmea's main task as an insurer – helping customers – was paramount. The Supervisory Board is impressed with the quality of the service provided.

A key pillar of Achmea's growth strategy is good digital support for customer processes. Customers greatly appreciate this. The Executive Board and the Supervisory Board are both seeing that satisfied customers and growth go hand in hand. The Supervisory Board weighs the customer interest when exercising supervision on the various topics in each case.

As a large financial services provider with cooperative roots, Achmea serves millions of retail and commercial customers. Achmea is closely connected to society. Based on its vision 'Sustainable Living. Together', Achmea strives to create an inclusive society in which we can enjoy living and working together and no one feels excluded. Achmea gives substance to this by contributing to solutions for important current social issues. Examples of these solutions include keeping healthcare accessible and affordable, making housing more sustainable, reducing traffic casualties and keeping climate risks insurable. Reducing carbon emissions to curb climate change also remains essential. An update of the Climate Transition Plan was published in the fourth quarter, in which Achmea also published the first interim targets for its (non-life) insurance portfolio.

Tasks and duties of the Supervisory Board

The Supervisory Board performs its duties on the basis of three roles: supervisor, advisor (solicited and unsolicited advice) and employer of the Executive Board.

The Supervisory Board convened on ten occasions in 2023, for nine ordinary meetings and an extraordinary meeting. The Supervisory Board maintains a total of three committees that advise the Board: the Audit & Risk Committee, the Remuneration Committee and the Selection & Appointments Committee. The Audit & Risk Committee convened on

SUPERVISORY BOARD REPORT

fourteen occasions in 2023, and the Remuneration Committee and the Selection & Appointments Committee both held a total of five meetings.

The following table provides an overview of the attendance rates of each individual Supervisory Board member. As in previous years, attendance rates were high in 2023. Members who were unable to attend a meeting informed the relevant chairman and provided the chairman with input prior to the meeting.Strategy and vision

Strategy and vision

One of the Supervisory Board's key duties is involvement in developing Achmea's strategy and monitoring its implementation.

In 2023, the Supervisory Board held extensive discussions on the strategy 'The Sum of Us'. The Sum of Us is the strategy through which Achmea aims to bring its Sustainable Living. Together vision into practice. Achmea's 'Sustainable Living. Together' vision is focused on the ambition of creating sustainable value for customers, employees, other stakeholders and society. Achmea does this based on its mission to solve major social issues together. Achmea focuses on the domains that also fit its cooperative identity: Bringing healthcare closer, Smart mobility, Carefree living & working and Income for today and tomorrow. Part of the strategy is for Achmea to invest in technology, customer service and services, in proposition development and innovations, both in the core business and in its key growth areas. All of this enables Achmea to continue serving its customers to the best of its ability and to create sustainable value for its stakeholders. This has given Achmea clear focus in its purpose, placing itself at the heart of society and playing an important role in the major transitions our society is facing. From various angles, the Supervisory Board and Executive Board discussed how Achmea is developing along the axis of sustainability in those four domains. They also discussed in detail the current and future regulations, political developments and how the wider industry is developing.

A comprehensive, multi-day strategy session was held in June 2023 in combination with a company visit to Eureko Sigorta, a subsidiary of Achmea in Turkey. During the strategy sessions, the members of the Supervisory Board and the Executive Board held several working sessions. For example, extensive discussions were held on the long-term earnings model, optimising from one Achmea, expanding the core business, investing in growth and exploiting strategic options. In addition, developments in the Turkish market and opportunities for Achmea and its customers following the Future Pensions Act (*Wet Toekomst Pensioenen*) were discussed in detail.

In 2023, the Supervisory Board discussed sustainability in the broad sense (Environment, Social and Governance) at length as part of the strategy. In addition, sustainability legislation and its implementation, and in that context the double materiality test as well as Achmea's sustainability objectives were discussed. The roles and responsibilities of the Executive Board, Supervisory Board and Supervisory Board committees with regard to sustainability were also discussed in detail.

The Supervisory Board endorses Achmea's sustainability goals regarding the movement towards carbon-neutral operations in 2030, carbon-neutral investments in companies in 2040 and a carbon-neutral insurance portfolio in 2050. The Supervisory Board agrees with the Executive Board that it is important for the long-term goals to also include shorter-term interim targets. Those ambitions were further elaborated in the Climate Transition Plan and, in the fourth quarter of 2023, the Supervisory Board discussed Achmea's Climate Transition Plan update, in which the initial interim targets for the (non-life) insurance portfolio were also published.

Together with the Executive Board, the Supervisory Board attaches a great deal of importance to the dialogue Achmea conducts with its stakeholders, which helps define the sustainable impact Achmea aims to have on society and how it creates value for its stakeholders in the long term. The

OVERVIEW OF ATTENDEES

	SUPERVISORY BOARD	AUDIT & RISK COMMITTEE	SELECTION & APPOINTMENTS COMMITTEE	REMUNERATION COMMITTEE
J. van den Berg	10/10		5/5	5/5
T.R. Bercx	9/10			5/5
M.R. van Dongen	10/10	14/14		
P.H.M. Hofsté	9/10	14/14	5/5	
A.M. Kloosterman	10/10			5/5
E.C. Meijer	4/4*			
A.C.W. Sneller	4/4**	5/5*		
R.Th. Wijmenga	10/10	14/14		
W.H. de Weijer	9/10		5/5	
Total attendance	96%	100%	100%	100%

* Ms. Meijer joined in July 2023.

** Ms. Sneller stepped down in April 2023.

elaboration of Sustainable Living. Together in the four domains and Achmea's activities in those domains reflects Achmea's contribution to society. Examples include the contribution made by Bringing healthcare closer for customers through accelerating digital healthcare by helping patients to be able to choose it, or the contribution in the Smart Mobility domain, in which Interpolis is deploying campaigns aimed at behavioural change to reduce traffic casualties. And there is reason to be proud.

The Supervisory Board endorses the aim of the Executive Board to create the space to invest in value creation for the stakeholders through initiatives geared towards efficiency and cost savings: 'Save to invest to grow'. Over the next few years, Achmea will take further steps to consolidate its position on the market and accomplish the four social ambitions in the four domains, as well as sustainability.The Supervisory Board, together with the Executive Board, attaches importance to cooperation with partners to achieve the intended results. Achmea works with a variety of valued partners. Rabobank, among others, is an important partner for Achmea to serve customers in the retail and corporate segments well with Interpolis. Growth is also being targeted with partner Garanti Bank in Turkey.

The Supervisory Board also discussed dilemmas with the Executive Board. For example, the ambitions in the sustainability targets were discussed, which included the discomfort in the boardroom in balancing all the interests of the company and its stakeholders combined with actively contributing to solving complex societal challenges such as climate change, social inequality and declining biodiversity. This also covered all efforts to achieve the envisaged transition and its feasibility for the organisation due in part to the confluence with the major efforts required to comply with the very extensive laws and regulations surrounding sustainability.

The Supervisory Board is pleased to see the continued high scores on the annual Employee Engagement Survey. Along with the Executive Board, the Supervisory Board is seeing tightness in the labour market continuing, with Achmea still managing to fill vacancies well. The Supervisory Board endorses the importance of and extra commitment to finding, engaging and retaining employees. In addition, the Supervisory Board was pleased to see that the newly concluded collective labour agreement is widely supported within the organisation.

The development of health insurance premiums and premium setting were discussed, including the growth target, an appropriate health insurance premium for customers and the impact of growth on capital requirements. In addition, the Supervisory Board stressed the importance of exploiting opportunities to achieve even greater synergy between the health insurance activities and Achmea's other activities.

The Supervisory Board approved the Business Plan 2024-2026 at the end of 2023 and the budget for 2024 was approved. The Supervisory Board endorses the plans defined by the Executive Board, the proposed measures and the urgency of their implementation.

Finance and risk

In 2023, the Supervisory Board held extensive quarterly discussions on the financial results as well as progress on the financial and strategic objectives. This included discussing the risks and uncertainties, as well as the realisation of the stated objectives on sustainability and the building blocks: customer, employees, partners and expertise in data & digital. The Supervisory Board is satisfied with the good progress being made on the strategic priorities formulated by the Executive Board.

The annual report for 2022 was also discussed and approved. In addition, the policy choices associated with the introduction of IFRS 9 and IFRS 17 were discussed. The 2023 reporting is based on IFRS 9 and IFRS 17. The discussions on the annual and interim reporting were also attended by the external auditor.

Risks and the impact on Achmea were an important agenda item for the Supervisory Board in 2023. Based on the Single Group Wide Operational Risk and Solvency Assessment (ORSA) report, the Supervisory Board discussed the coherent picture of the Achmea Group's business strategy, risk profile and capital adequacy during the 2023-2025 planning period. Also considered were Achmea Group's risk appetite, the risk, compliance and actuarial reports, as well as any new special risks which may arise. In 2023, for example, topics such as the strategic risks and opportunities surrounding sustainability, the implementation of sustainability laws and regulations, the future business model, geopolitical instability and inflation, rising labour costs, distribution partners, increasing legislative and regulatory requirements and political developments were considered. Additionally, the risks due to financial market volatility, rising reinsurance premiums, longevity risk, the impact of natural catastrophes, Non-life & Income portfolio risks and increased volatility of results under IFRS 17 were discussed.

The internal control of compliance and operational risks, including compliance with the rules governing privacy (GDPR), the duty of care and Customer Due Diligence, as well as the topics of outsourcing and cyber security were also extensively discussed. The Supervisory Board endorses the importance the Executive Board attaches to internal control, which naturally involves compliance with applicable laws and regulations. Moreover, the Supervisory Board concluded that the integral risk reporting is of a high quality.

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The Supervisory Board endorsed the Executive Board's careful consideration of the interests of the company and those of its stakeholders relating to a dividend payment for fiscal year 2022. This led to the Executive Board's decision, approved by the Supervisory Board, to propose to the General Meeting that no dividend be paid on the ordinary shares and that profits be distributed to the holders of preferred shares. The General Meeting decided in accordance with that proposal.

The Supervisory Board discussed withdrawal of the preferred shares in 2023. The various scenarios were weighted, during which factors such as the impact on the Solvency II ratio and capital were examined. After receiving positive advice from the Audit & Risk Committee, the Supervisory Board approved a proposal from the Executive Board for the withdrawal of the preferred shares and the depositary receipts (indirectly) linked therein. The General Meeting agreed to the proposed withdrawal in December 2023.

In addition, the Supervisory Board discussed the Executive Board's proposal to introduce a new dividend policy. Under the new dividend policy, the proposed dividend is based on a market-based annual dividend yield of 7% of Achmea's calculated value. The Executive Board may give shareholders a choice between a dividend (partial or full) in cash or in the form of Achmea common shares. The new policy offers Achmea's shareholders a more stable dividend and increases Achmea's financial flexibility. The Supervisory Board endorses the new dividend policy. The General Meeting adopted the dividend policy in December 2023 for the years 2023, 2024 and 2025.

Compliance with laws and regulations and auditing

In 2023, the Executive Board and the Supervisory Board regularly discussed the compliance requirements from laws and regulations, external supervisors and national/international industry and other organisations. The Supervisory Board discussed at length the sustainability law and regulations, customer due diligence legislation, the Pension Agreement, as well as the effects of the introduction of IFRS 9 and IFRS 17.

The Audit & Risk Committee and the Supervisory Board also conducted in-depth discussions with the external auditor and Internal Audit on the conclusions set out in the management letter and the audit memorandum.

The Supervisory Board and the Executive Board discussed the main changes to the Corporate Governance Code 2022. The adjustments to the regulations of the Executive Board, the Supervisory Board, the Audit & Risk Committee, the Remuneration Committee and the Selection and Appointment Committee arising from the Corporate Governance Code as well as the sustainability laws and regulations were then discussed, after which the Supervisory Board adopted the regulations.

The role of employer and remuneration

In its role as an employer, the Supervisory Board discussed remuneration and the composition of the Executive and Supervisory Boards. Items on the agenda also included the company's diversity and inclusion policy as well as the diversity and inclusion policy for the Executive Board and Supervisory Board and Achmea's Management Development policy, including the focus on internal training and advancement.

Achmea's Remuneration Policy is in line with its identity, strategy, long-term value creation model, sustainability targets and with legislation and regulations on remuneration. At Achmea, without exception, variable remuneration for the Executive Board and all employees in the Netherlands is restricted to a maximum of 20% of the fixed portion of their salary. In its capacity as the most senior body, the Supervisory Board monitors Achmea Group's remuneration policy. The Supervisory Board assesses whether Achmea's Remuneration Policy meets the principles for a controlled remuneration policy. The fixed salary of the members of the Executive Board and the applied policy scales were increased by 1% as of 1 January 2023. For more details, see Note 32 of the consolidated financial statements and the Achmea Remuneration Report to be published later in 2024. Following a remuneration benchmark conducted in 2023, the Supervisory Board concluded that there was no reason to adjust the remuneration for the Supervisory Board in 2023. The remuneration of Achmea's Executive Board is considered appropriate. As of 1 September 2019 all members of the Supervisory Board of Achmea B.V. also constitute the Supervisory Boards of the entities Achmea Pensioen- en Levensverzekeringen N.V. and Achmea Schadeverzekeringen N.V. The compensation they receive for their activities on behalf of these two entities is unchanged. For details of the Supervisory Board remuneration actually paid in regard to 2023, see Explanatory Note 32 to the consolidated financial statements, and among others the Explanatory Notes to the 2023 financial statements of Achmea Schadeverzekeringen N.V. and those of Achmea Pensioen- en Levensverzekeringen N.V.

Achmea publishes detailed information on its remuneration policy, including the remuneration of the Executive Board and the Supervisory Board, in the 2023 Achmea Remuneration Report, to be published on www.achmea.nl later in 2024.

SUPERVISORY BOARD REPORT

Composition of the Executive Board
As part of its duty to ensure a well-balanced composition of the Executive Board, the Supervisory Board found that the current Executive Board is diverse in composition and exceptionally well equipped to fulfil its duties. On the advice of the Selection and Appointment Committee, the Supervisory Board reappointed Ms. Tetteroo for a period of four years as of 15 June 2023. As of 17 August 2023, Mr. Otto was reappointed for a four-year term and, as of 1 September 2023, Ms. Suur was reappointed for a four-year term.

Composition of the Supervisory Board
The Supervisory Board's composition was on the agenda on several occasions in 2023. In 2023, the Committee advised the Supervisory Board on reappointments based on the advice of the Selection and Appointment Committee and after careful review of the current composition of the Supervisory Board and the required competencies on the Board in light of the current requirements. This also took into account the diverse composition of the Supervisory Board as a whole.

The Supervisory Board nominated Ms. Hofsté and Mr. Wijmenga for reappointment for a period of two years. When doing so, the fact was emphasised that a reappointment for two years after a period of eight years is important to safeguard the specific knowledge and experience in the Supervisory Board and the Audit & Risk Committee. Ms. Hofsté and Mr. Wijmenga were appointed by the General Meeting for a period of two years starting 12 April 2023, following nomination by the Supervisory Board.

A vacancy had opened up due to Ms. Sneller's retirement from the Supervisory Board of Achmea B.V. after the expiry of her third term as of 12 April 2023 and after her membership of the Board for a total of 10 years. Following positive advice from the Selection and Appointment Committee and the recommendation by the Central Works Council based on the enhanced right of recommendation, the Supervisory Board nominated Ms. Meijer for appointment. The General Meeting appointed Ms. Meijer for a four-year term with effect from 25 July 2023.

As of 31 December 2023, the Supervisory Board had eight members. The Supervisory Board comprised three female and five male members.

Continuing education
Each year, the Supervisory Board adopts a continuing education programme. In 2023, five continuing education sessions were organised for the members of the Supervisory Board and the members of the Executive Board, with additional focus on sustainability and sustainability laws and regulations, and the duty of care. The various continuing education sessions also included in-depth coverage of IFRS 9/17, including a market comparison, interest rate risk management, in-depth coverage of the Money Laundering and Terrorist Financing (Prevention) Act, healthcare agreements and developments within Health, as well as developments, applications and governance around artificial intelligence.

In addition, deep dives addressed various topics such as the strategic developments abroad, the progress of Achmea's sustainability programme, Achmea Sustainable Together, developments in the components of Retirement Services and opportunities due to the Future Pensions Act. In addition, a visit was made to the Turkish subsidiary Eureko Sigorta, delving into developments in the Turkish market. A visit was also made to the Achmea Innovation Hub where they discussed digitisation, developments relating to data and the development of the revenue and operating models of the future.

COMPOSITION OF THE SUPERVISORY BOARD AS OF 31 DECEMBER 2023

NAME	NATIONALITY	GENDER IDENTITY	POSITION	TERM	YEAR OF FIRST APPOINTMENT	CURRENT TERM
J. van den Berg[1] (b. 1964)	Dutch	Male	Chair	Second	2018	2022-2026
T.R. Bercx[2] (b. 1963)	Dutch	Male	Member	First	2021	2021-2025
M.R. van Dongen[1] (b. 1969)	Dutch	Female	Member	First	2020	2020-2024
P.H.M. Hofsté[2] (1961)	Dutch	Female	Member	Third	2015	2023-2025
A.M. Kloosterman[3] (1956)	Dutch	Male	Member	First	2019	2019-2024
E.C. Meijer[2] (1965)	Dutch	Female	Member	First	2023	2023-2027
R.Th. Wijmenga[1] (1957)	Dutch	Male	Member	Third	2015	2019-2023
W.H. de Weijer[1] (b. 1953)	Dutch	Male	Vice-chair	Second	2016	2020-2024

1 Nominated by Vereniging Achmea
2 Nominated by the Central Works Council
3 Nominated by Rabobank

SUPERVISORY BOARD REPORT

EXPERTISE OF THE SUPERVISORY BOARD

NAME	EDUCATION	MANAGEMENT	GOVERNANCE	INSURANCE	BANKING	FINANCE/ RISK/AUDIT	HR/ REMUNERATION	LEGAL/ COMPLIANCE	COMMERCE/ CUSTOMER CENTRICITY	IT	HEALTH
J. van den Berg	Medicine/Management	•	•	•			•		•		•
T.R. Bercx	Psychology/Management	•	•				•			•	
M.R. van Dongen	Business economics, corporate finance/management	•	•	•		•		•			•
P.H.M. Hofsté	Economics/Accountancy	•	•		•	•		•			
A.M. Kloosterman	Dutch Law	•	•		•		•	•			
E.C. Meijer	Psychology/Business Economics/Management	•	•			•	•	•	•	•	
R.Th. Wijmenga	Econometrics	•	•	•		•		•	•	•	
W.H. de Weijer	Healthcare Management	•	•	•			•				•

Evaluation of the Supervisory Board
Each year, the Supervisory Board carries out a self-assessment of its performance. Once every three years on average, the evaluation is carried out with the support of an external party, which was the case for the 2022 self-assessment. The outcome of this evaluation was discussed by the Supervisory Board and the Executive Board.

In response to the areas for improvement from the 2022 evaluation, extra focus was given during 2023 to international activities and strategy, the outside view with respect continuing education and reflections on the strategy of business units and sustainability and governance around sustainability.

Their overall impression from this 2023 evaluation is positive. The Supervisory Board performs well and cooperation within the committees runs smoothly. There is an open dialogue and room for debate, different opinions and the discussion of sensitive subjects. The Supervisory Board acts independently, its members come from diverse backgrounds and complement each other, it possesses a great deal of relevant expertise and is well-equipped for its duties.

This evaluation encourages the Supervisory Board, amid increased regulatory pressure, to continue its existing path towards a greater focus on strategy, market and customer in its agenda and to strengthen its critical, advisory and reflective role.

The Chair of the Supervisory Board also conducts individual evaluation interviews with the individual Supervisory Board members, and together with another Supervisory Board member, with the individual members of the Executive Board. The functioning of the Executive Board and its individual members is discussed in the Supervisory Board, the Selection & Appointments Committee and the Remuneration Committee. The points arising from the evaluation are taken on board by the individual members of the Supervisory and Executive Boards.

The Supervisory Board functions independently in its supervisory role. The advisory role of the Supervisory Board is appreciated and in that context the Supervisory Board rates its relationship with the Executive Board as good. It was established that the reports and information provided to the Supervisory Board and the quality of the information provided are excellent. The interests of the company's stakeholders and sustainability are incorporated in a balanced fashion in these reports.

Culture
The Supervisory Board and the Executive Board discussed, among other things, the open culture and the development of leadership and transparency in communications between the Supervisory Board and the Executive Board. Strengthening the performance culture and the tone at the top also came up, as well as Achmea's employee values: Passionate, Contemporary, Ambitious, Proud and Decisive. In addition, integrity as a part of transparency and an ethical corporate culture was also discussed. The transparent and ethical business culture is based on indicating desirable conduct from the perspective of Achmea's cooperative identity, as determined in Achmea's General Code of Conduct. The code of conduct describes the rules Achmea has with respect to behaviour.

SUPERVISORY BOARD REPORT

Shareholder relations
The Chairman of the Executive Board is the primary point of contact for shareholders. The Chairman of the Supervisory Board conducts meetings with shareholders on specific topics. This primarily concerns aspects such as nominations for the appointment of members of the Supervisory Board. In addition, the Chairman of the Supervisory Board has contact with shareholders in the context of the General Meeting. The Chairman of the Supervisory Board is also invited to attend a number of meetings of the board of Vereniging Achmea, the majority shareholder of Achmea B.V., as an observer.

With a view to engagement with Achmea customers, Supervisory Board members are invited to attend Members Council meetings organised by Vereniging Achmea.

Relations with the external auditor
Ernst & Young (EY) is Achmea B.V.'s external auditor. EY's appointment is for the financial years 2021 through 2025.

The Chairman of the Supervisory Board and the Chairman of the Audit & Risk Committee meet annually with the external auditor's lead partner. In addition, in 2023 the Audit & Risk Committee held two private meetings with the external auditor. The Audit & Risk Committee and subsequently also the Supervisory Board discuss the performance of the external auditor annually. The external auditor is not present on this occasion.

The Supervisory Board and the Audit & Risk Committee agree that the working relationship with the accountant EY is good. The cooperation is good and transparent. EY adds value to improving the financial reporting process and challenges the company in a constructive and positive manner.

Based on the external auditor's report, among other things, the Supervisory Board concluded that the level of control of the financial reporting and internal control within Achmea are of a good level

Relations with Internal Auditt
The Supervisory Board maintains an independent relationship with the Internal Audit department. Following advice from the Audit & Risk Committee, the Supervisory Board lays down the Annual Audit Plan each year. The Audit Memorandum together with the external auditor's management letter provide the Supervisory Board with a good overview of Achmea Group's internal control framework and of the main areas for attention. The Supervisory Board is satisfied with the strong relationship between the Audit & Risk Committee and the Director of Internal Audit and the Supervisory Board rates Internal Audit's work as good. The Chairman of the Supervisory Board and the Chairman of the Audit & Risk Committee meet regularly with the Director of Internal Audit. The Director of Internal Audit is also present at the meetings of the Remuneration Committee as a part of the discussion of the audit of Achmea's Remuneration Policy and at the meetings of the Audit & Risk Committee. The Audit & Risk Committee discusses Internal Audit's performance annually. The Director of Internal Audit is not present on this occasion

Relations with Risk and Compliance
The Supervisory Board has noted that the Risk and Compliance function is properly anchored in the organisation. The Risk and Compliance reports are good quality and provide insight into the integral risk profile of Achmea. The Risk and Compliance reporting contains an overview of the developments and points for attention relating to Achmea's primary risks, as well as information on developments in the business units and particulars relating to the financial, operational and compliance risks. The way in which relevant laws and regulations are complied with is also discussed. An overview of new and forthcoming laws and regulations is also given regularly.

Relations with the external regulators
The Supervisory Board notes that Achmea's relationship with the external supervisory bodies is good. The Supervisory Board has an annual consultation meeting with the Management Board of DNB, and the Chairman of the Supervisory Board and the Chairman of the Audit & Risk Committee regularly speak with DNB and the AFM.

Relationship with the Central Works Council (COR)
The Supervisory Board has a good relationship with the Central Works Council. The Supervisory Board noted that there are sound working relations and a constructive and open dialogue between the Executive Board and the Central Works Council. The Supervisory Board members took turns attending meetings of the Central Works Council in 2023. In line with the legally reinforced right of recommendation, the Central Works Council may propose candidates for one-third of the Supervisory Board seats.

Conflicts of interest
In line with the Dutch Corporate Governance Code, transactions involving Supervisory Board members in which there are material conflicts of interest must be published in the Annual Report. No such transactions occurred in 2023. New additional positions held by Supervisory and Executive Board members leads Compliance to issue advice to the Chairman of the Supervisory Board in connection with potential conflicts of interest (or the appearance of these), after which a committee led by the Chairman of the Supervisory Board decides on the desirability of the additional position. Current developments may give cause for internal (re)evaluation.

Audit & Risk Committee report

The Audit & Risk Committee advises the Supervisory Board and prepares the Supervisory Board's decision-making in that regard on, among other things, financial, administrative organisational and compliance matters, as well as on the risk profile and the design of the internal control systems. As of 31 December 2023, the Audit & Risk Committee is comprised of the following four Supervisory Board members: Mr. Wijmenga (Chair), Ms. Sneller, Ms. Hofsté and Ms. Van Dongen. Ms. Sneller stepped down from the Audit & Risk Committee as of 12 April 2023. The Audit & Risk Committee also acts as the Audit & Risk Committee for the Supervisory Boards of Achmea Schadeverzekeringen N.V., Achmea Pensioen- en Levensverzekeringen N.V. and Achmea Zorgverzekeringen N.V. and its subsidiaries.

In 2023, the Audit & Risk Committee's ordinary meetings were dominated by discussions on drawing up financial policy, the results and their development during the reporting period and the sensitivity of these to potential internal and external risks. In this respect, in 2023 a great deal of attention was again devoted to the periodic reporting by Risk Management, Compliance and Actuarial in the presence of key function holders from risk, compliance and actuarial, as well as by the internal and external auditors. The Audit & Risk Committee also discussed the annual and interim results prior to external publication, as well as the quarterly figures for shareholders for consolidation purposes, and the related audit reports of the external auditor. In addition, explicit discussions were held on Achmea's risk appetite (including the foreign operating companies) and its control, partly based on the Risk & Compliance reports and Audit Memorandum.

During the meetings, external developments such as inflation and its impact, the development of the reinsurance market and rising reinsurance premiums, and the newly concluded collective labour agreement for 2024 were discussed. In addition, ample attention was paid to the development of Achmea's solvency and liquidity position. Discussions were held on result development, ambitions and responses relating to this. The development of the rating capital was also discussed.

In addition, there was an extensive discussion about the proposal for and the Executive Board's consideration regarding the interests of the company and its stakeholders with respect to not paying a dividend to holders of ordinary shares, while still paying a dividend to holders of preference shares. This was based on the amount of the result for the 2022 financial year and the dividend policy for the 2022 financial year. The careful consideration and decision was endorsed by the Audit & Risk Committee. The committee's discussion of the external dividend proposal considered the potential impact of IFRS 9/17 on aspects of dividend policy.

Also discussed at length was the proposed dividend policy after financial year 2022, based on a market-compliant annual dividend yield of 7% of Achmea's calculated value and the choice between a dividend (partial or full) in cash or in the form of Achmea ordinary shares. The Audit & Risk Committee supports the proposed direction. The new policy offers Achmea's shareholders a more stable dividend and increases Achmea's financial flexibility.

The Audit & Risk Committee is regularly informed by the Executive Board of the progress on top priorities that deliver a crucial contribution to strategic development and improvements in the operational result, solvency, free capital generation and liquidity. The Audit & Risk Committee closely monitored developments, deepened its understanding on a number of aspects and has established that there was good management of progress.

During review of the rolling forecast, in-depth discussions were held in the Audit & Risk Committee on the progress of the financial strategy, expectations relating to the results, the FTEs and cost reduction targets, Achmea's capital, liquidity and solvency positions and measures to improve the capital, liquidity and solvency positions. The Audit & Risk Committee noted that solvency has declined due to growth, model changes and capital instrument repurchases while simultaneously being robust. The Audit & Risk Committee discussed the various scenarios regarding the possible withdrawal of the preference shares. The various scenarios were weighted, during which financing expenses, impact on the Solvency II ratio and capital were examined. The committee endorsed the Executive Board's proposal for the withdrawal of the preference shares and the depositary receipts therein (indirectly) linked and advised positively to the Supervisory Board.

The Audit & Risk Committee also discussed the build-up of the deferred tax asset in Achmea's IFRS balance sheet and its substantiation. In addition, the evaluation of active management on investments was discussed. The Audit & Risk Committee discussed the consideration framework with regard to the 2024 healthcare premium setting with Zilveren Kruis' divisional chair and the director of finance and the Supervisory Board of Achmea Zorgverzekeringen N.V. and its subsidiary health insurers. The consequences of various scenarios on the result and solvency of both the health insurers and the Achmea group, the uncertainties, the portfolio strategy and the number of policyholders were considered.

Other topics discussed by the Committee included the Solvency and Financial Condition Reporting, the Regular Supervisory Report, the 2022 Achmea Valuation and the 2022 Annual Report. The Annual Reports and Regular Supervisory Reports of Health, Achmea Pensioen- & Levensverzekeringen

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NV and Achmea Schadeverzekeringen NV were also discussed in the presence of the responsible financial directors. The dividend distribution by the supervised companies within the Achmea Group was also discussed.

The Audit & Risk Committee was briefed on the key developments in injury provisions and the discount rate used therein. Additionally, the Executive Board informed the Audit & Risk Committee periodically in 2023 on the content of the talks with the regulators.

In discussing the Risk Management & Compliance reports, in addition to the usual focus on compliance and operational risks, the Audit & Risk Committee devoted express attention to the development of the financial ratios, the risks involved and how these are and can be controlled. The Audit & Risk Committee also discussed the management of integrity and fraud risk, the governance and control of participations and the updating of the Achmea Group Risk Appetite 2023. The committee also gained insight into the status of Achmea's model risk, its control and the validation of risk models. Additionally, the Audit & Risk Committee delved into the topic of improvement proposals on interest rate control.

The update of the Capital Adequacy Policy (CAP) was discussed. The committee issued a positive advice to the Supervisory Board to approve the Executive Board's decision on adopting the CAP update. The AFM annual review, DNB risk scores 2022 and Supervision Plan 2023 were also considered. The Audit & Risk Committee also reflected on the process surrounding legal disputes and proceedings in the presence of the director of legal affairs.

The Audit & Risk Committee discussed the positive outcomes of the survey conducted on the maturity level of the compliance function and the new Integrated Governance, Risk and Compliance system policy.

Fiscal reporting was discussed in 2023, including how Achmea behaves as a responsible tax payer and how fiscal risks are managed.

Audit & Risk discussed the implementation of sustainability legislation that is being managed centrally from the Achmea Sustainable Together programme. The committee discussed governance in relation to Sustainability. The progress of the implementation of the sustainability reporting was also discussed and that topic will continue to be discussed periodically in the Audit & Risk Committee in 2024.

In 2023, the 1Finance transformation programme and its implementation were discussed in the committee in the presence of the programme manager. An explanation was provided on the current status of implementation and progress towards achieving the ambition of the transformation programme.

In 2023, the Audit & Risk Committee closely monitored the implementation of IFRS 9 and IFRS 17 and discussed the operational result under IFRS 9 and IFRS 17. The analysis of the comparison with peers and the change proposal in the policy choices were also discussed. The Audit & Risk Committee endorsed the proposed change. Also discussed with the committee was the process for the 2023 year-end under IFRS 9 and IFRS 17, the preparatory activities therein and the follow-up steps thereafter that are also important for the realisation of the 1Finance business case. Finally, external auditor EY briefed the Audit & Risk Committee on Achmea's IFRS 9 and IFRS 17 comparison with European insurers.

The company's risk management and risk appetite are important topics for the Supervisory Board, particularly in the current financial climate and with the geopolitical uncertainties. The Committee advised the Supervisory Board during discussions of the risk appetite, including comprehensive risk reporting and Own Risk & Solvency Assessment (ORSA).

Other subjects discussed with the Executive Board were the annual Internal Audit Annual Plan 2024, including the scope and definition of principles. Discussions were also held regarding the 2024 market risk budget and the 2024 Investment Plan and related control and monitoring.

The Audit & Risk Committee discussed the EY Audit Plan 2023 with the external auditor EY, including the audit materiality. In addition, the Audit & Risk Committee again discussed the implementation and reassessment of the Internal Audit Annual Plan 2023 and presented positive advice to the Supervisory Board.

Following a positive opinion from the Audit & Risk Committee, the Supervisory Board approved the revision of the Internal Audit charter and Independence Policy. The Audit & Risk Committee also discussed the evaluation of the work and performance of the external auditor. The evaluation report, including the management response prepared by EY, was discussed in detail. The functioning of the internal auditor was also discussed.

At the end of 2023, the financial translation, including the result development, of the Group Business Plan 2024-2025 and the budget for 2024 were discussed in detail. The Audit & Risk Committee issued a positive recommendation on this to the Supervisory Board. The Audit & Risk Committee reflected on the ambitions in the Group Business plan, where the committee is seeing good progress in the implementation of the strategy and the strengthening the building blocks of the Achmea purpose. Despite the external and internal uncertainties, the Audit & Risk Committee endorses sticking to the ambitions and targets.

SUPERVISORY BOARD REPORT

The Audit & Risk Committee and EY discussed the EY Management Letter. Just as last year, the Audit & Risk Committee concluded together with EY that the internal control system, including the IT environment, is adequate. The committee sees that all the issues addressed in EY's management letter have the necessary attention of the Executive Board.

Remuneration Committee report

As of 31 December 2023, the Remuneration Committee is comprised of the following three Supervisory Board members: Mr. Kloosterman (Chair), Mr. Van den Berg and Mr. Bercx. The Remuneration Committee receives advice from internal and external specialists in Achmea's Remuneration Policy, including the Human Resources Director. The Remuneration Committee held five meetings in 2023.

Monitoring responsible remuneration

One of the key tasks of the Remuneration Committee is monitoring the application of and compliance with the variable remuneration policy. Accountable and properly managed remuneration is an important matter for Achmea (for more information please see the annual Achmea Remuneration Report at www.achmea.nl).

In the Remuneration Committee meetings, meticulous reporting is made by the support departments tasked with the implementation of the so-called key controls on the remuneration policy. This includes the annual key controls relating to target setting, the method used to set them, whether goals have been achieved sustainably, and the periodic risk analysis of the Achmea Remuneration Policy and the risk takers and identified staff.

In 2023, the Group Remuneration Policy was updated, with changes including further embedding of sustainability aspects in Achmea's Remuneration Policy.

In 2023, based on a Benchmark analysis of Supervisory Board remuneration, the Remuneration Committee concluded that the results of the benchmark do not give cause to change the remuneration of the Supervisory Board.

Performance management process

A few years ago, the performance management process within the Achmea Group was revised and simplified. In modifying the process, it was decided to opt for greater simplicity and stricter management by restricting the number of Key Performance Indicators (KPIs), while also defining them more precisely in a way that suits the strategy and Achmea's sustainable, long-term value creation model, but also within the company's risk profile and risk appetite. A direct link was also made to the Achmea General Code of Conduct. Any violations of the code result in a downward adjustment of the variable remuneration. Based on the various building blocks (customers, society, sustainability, employees, business and other partners, processes (data and digital) and financial results), a translation is made annually into goals that apply to the Achmea Group, to divisions and parts and/or to individual directors and employees. This creates a sound balance in the type of performance indicator, short and long-term performance management and in the criteria used as a basis for variable remuneration. Some of these are personal development objectives as well, for instance in the context of strengthening leadership.

The performance management process is evaluated annually and discussed in the Remuneration Committee. This was also the case in 2023. The performance management process has remained unchanged, while options have been examined for further simplifying the process relating to performance appraisal and variable pay in the future.

Performance evaluation and variable remuneration

Each year, the Remuneration Committee assesses the performance of the individual Executive Board members over the relevant year. It holds separate meetings with the individual members of the Executive Board to this end. The Remuneration Committee advises on this, particularly as to whether variable remuneration should be awarded.

After the adoption of the 2022 financial statements, in 2023 variable compensation was allocated to the groups of Achmea employees that qualify for variable remuneration, including the members of the Executive Board. The amount of the variable remuneration depended on the results and achievement of targets in the performance year 2022. After it was determined that Achmea's financial position was solid and the payment of variable remuneration was justified, half of the 2022 variable remuneration was paid out to the members of the Executive Board in May 2023. The other half has been postponed and will become payable after a sustainability test in 2028. Please also see Explanatory note 35 of the consolidated financial statements and the 2022 Achmea Remuneration Report published on www.achmea.nl in May 2023.

Final decision-making on awarding variable remuneration over 2023 has yet to take place. More information on this will be given in the 2023 Achmea Remuneration Report to be published in 2024.

In 2023, there were no downward adjustments or clawback of variable remuneration awarded to the Executive Board relating to previous years.

Internal remuneration ratios
The Remuneration Committee discussed the internal pay ratio for 2023 based on two different calculation methods.

As a benchmark for the internal remuneration ratio (based on the revised Corporate Governance Code 2022), it examined on the one hand the ratio between the remuneration of the Chair of the Executive Board compared to the average remuneration of the employees at Achmea in 2023 (including subsidiaries outside the Netherlands). In 2023, the CEO pay ratio is 19.8 (2022: 22.7, 2021: 20.9, 2020: 24.2 and 2019: 24.1).

On the other hand, the Remuneration Committee discussed for the first time the internal remuneration ratio over 2023 as a ratio between the remuneration of the Chair of the Executive Board compared to the average remuneration of all employees at Achmea in 2023 (excluding subsidiaries outside the Netherlands). This is the benchmark based on the Global Reporting Initiative (GRI) that Achmea voluntarily follows. In 2023, the CEO pay ratio was 25.6.

The internal remuneration ratios in 2022 were also a topic of discussion in 2023 between the Chairs of the Executive and Supervisory Boards on one hand, and the Central Works Council in one of their consultative meetings on the other hand.

Laws and regulations
Developments in laws and regulations relating to remuneration policy at financial and other companies also received attention over the past year. Issues discussed included the Directive on Wage Transparency and the Implementation Regulation on Senior Executives in the Public and Semi-Public Sector (Standards for Remuneration) Act 2023.
The Remuneration Committee also discussed the process for the ranking tests. This involves a regular, periodic test of the job structure within Achmea for coherence and consistency.

2023 Remuneration Report
A detailed overview of the remuneration of the members of the Executive Board can be found in the Note 35 of the consolidated financial statements 'Related party transactions'.

For more information on the variable remuneration, please see the 2023 Remuneration Report, which will be published on our website www.achmea.nl later in 2024.

Selection & Appointments Committee report

The Selection & Appointments Committee is responsible for monitoring the appropriate composition and profile of both the Supervisory Board and the Executive Board. The Committee seeks potential candidates and makes recommendations regarding them, in some cases in conjunction with shareholders or the Central Works Council based on rights of nomination or a strengthened right of recommendation.

As of 31 December 2023, the Selection & Appointments Committee is comprised of three members of the Supervisory Board: Mr. Van den Berg (Chair), Ms. Hofsté and Mr. Weijer.

In 2023, the Selection and Appointment Committee updated the general member profile of the Supervisory Board. Aspects relating to sustainable long-term value creation, knowledge and experience of climate and environment-related risks and other sustainability-related risks at financial institutions were added to the profile. On the committee's advice, the Supervisory Board submitted the updated profile to the General Meeting, which adopted the updated profile.

Changes and vacancies
In 2023, the filling of future vacancies in the Executive Board and the Supervisory Board was the subject of discussion on several occasions.

The Selection and Appointment Committee discussed the composition of the Executive Board. After careful review of the current composition of the Executive Board and the required competences on the Board in light of the current requirements, the Selection and Appointments Committee issued positive advice to the Supervisory Board on the reappointment of Ms. Tetteroo, Ms. Suur and Mr. Otto.

The Committee also held extensive discussions on the composition of the Supervisory Board. Members of the Supervisory Board are selected based on a profile of the required professional background, education, local and international experience, skills, diversity and independence. The current composition of the Supervisory Board is such that the members can perform their duties properly because of the appropriate mix of experience and expertise. After careful review of the current composition of the Supervisory Board and the required competencies on the Board in light of the current requirements, the Committee issued a positive recommendation to the Supervisory Board on the reappointment of Mr. Wijmenga and Ms. Hofsté. When doing

SUPERVISORY BOARD REPORT

so, the fact was emphasised that a reappointment for two years after a period of eight years is important to safeguard the specific knowledge and experience in the Supervisory Board and the Audit & Risk Committee. Ms. Hofsté and Mr. Wijmenga were reappointed by the General Meeting for a period of two years starting 12 April 2023, following nomination by the Supervisory Board.

In addition, the committee considered the filling of the vacancy resulting from the retirement of Ms/ Sneller, who stepped down on 12 April 2023 after a 10-year term in accordance with the retirement schedule. The Selection and Appointment Committee, in close consultation with the committee of the Central Works Council, which made a recommendation to fill this vacancy on the basis of its enhanced right of recommendation, recommended appointing Ms. Meijer to the Supervisory Board. Ms. Meijer was appointed by the General Meeting from 25 July 2023 for a period of four years, following the nomination by the Supervisory Board.

Succession planning
The Selection & Appointments Committee also discussed succession planning for the Executive Board and for the first management level below the Executive Board in 2023, based on the discussion of the leadership pipeline and the management & talent development programme. This meeting was once again held in 2023 with all members of the Supervisory Board in attendance. Items on the agenda included the company's diversity and Management Development policies, including the focus on internal training and internal promotion. The Supervisory Board also discussed succession planning at divisional board level. This provided the Supervisory Board with thorough insight into the management potential and management capabilities within the Group.

The Committee applies the diversity policy with respect to the composition of the Executive Board and the Supervisory Board as adopted by the Supervisory Board. The Supervisory Board endorses Achmea's general diversity and inclusion policy, and on the advice of the Committee applied a number of specific amendments to the diversity policy with respect to the composition of the Supervisory Board and the Executive Board. These specific amendments are: i) a balanced male/female ratio in the Supervisory Board and Executive Board, geared towards achieving a target of at least 1/3 women and at least 1/3 men; ii) the correct mix of experience and expertise from the perspective of suitability of the individual and the composition of the team as a whole; iii) to achieve broader diversity (including multicultural) and a balance in the ages of the Board members.

2023 financial statements and dividends

EY audited the Achmea B.V. 2023 financial statements and issued an unqualified audit report on 13 March 2024. In line with the proposal by the Executive Board and the recommendation of the Audit & Risk Committee, the Supervisory Board recommends that shareholders approve the 2023 financial statements.

The Executive Board, with the approval of the Supervisory Board, proposes paying a dividend of EUR 267 million for the 2023 financial year after the adoption of the financial statements by the General Meeting, giving shareholders the choice to receive the dividend entirely or partly in cash and/or in the form of ordinary shares in Achmea's capital.

Apart from the approval of the financial statements, the General Meeting will also be asked to discharge Executive Board members from liability for the management they have conducted and to discharge the Supervisory Board members from liability for the supervision they have conducted in the 2023 reporting year.

Acknowledgements

In February 2023, an earthquake struck Turkey, killing more than 50,000 people. Achmea's subsidiary Eureko Sigorta and its employees were very proactive and showed great commitment in helping customers in the best possible way during very difficult times. We would like to thank the employees of Eureko Sigorta and Achmea for their hard work.

We would like to take this opportunity to offer our compliments and thanks to the Executive Board, the Central Works Council and all Achmea employees for their great commitment and the enthusiasm they have shown, which enabled many milestones to be achieved in 2023. The Supervisory Board would also like to thank M.s Sneller, who stepped down as a Supervisory Board member after a period of ten years, for her greatly appreciated and valuable contribution to Achmea's development.

13 March 2024

The Supervisory Board
J. (Jan) van den Berg, Chair
W.H. (Wim) de Weijer, Vice-chair
T.R. (Tjahny) Bercx
M.R. (Miriam) van Dongen
P.H.M. (Petri) Hofsté
A.M. (Lex) Kloosterman
E.C. (Nienke) Meijer
R.Th. (Roel) Wijmenga

CORPORATE GOVERNANCE

INTRODUCTION

Achmea B.V. is a private company with limited liability, with its registered office in Zeist, the Netherlands. Although in practice Achmea is governed, organised and managed in the same way as many listed organisations, its cooperative origin determines the way in which corporate governance is arranged at the level of the Executive Board, Supervisory Board and shareholders. Achmea adheres to the following relevant corporate governance codes: the Dutch Code of Conduct for Insurers, the Dutch Banking Code and the relevant provisions of the Dutch Corporate Governance Code.

Changes in the Executive Board in 2023

As part of its duty to ensure a well-balanced composition of the Executive Board, in the past year, the Executive Board made the following reappointments:

As of 15 April 2023, Ms. Tetteroo was reappointed for a term of four years. She has been a member of the Executive Board since 2015, and was appointed chair in 2021.

As of 17 August 2023, Mr. Otto was reappointed for a term of four years. He has been a member of the Executive Board since 2015.

As of 1 September 2023, Ms. Suur was reappointed for a term of four years. She has been a member of the Executive Board since 2019.

Changes in the Supervisory Board in 2023

On 12 April 2023, Ms. Sneller stepped down from the Supervisory Board in accordance with the retirement schedule. She has been a supervisory board member at Achmea for 10 years.

As part of its duty to ensure a well-balanced composition of the Supervisory Board, in the past year, the Supervisory Board made nominations for reappointments and appointments to the General Meeting.

As of 12 April 2023, Mr. Wijmenga was reappointed for a term of two years. He has been a member of Achmea's Supervisory Board since 2015.

As of 12 April 2023, Ms. Hofsté was reappointed for a term of two years. She has been a member of Achmea's Supervisory Board since 2015.

Ms. Meijer joined the Supervisory Board as of 25 July 2023. She was appointed for a term of four years.

CORPORATE GOVERNANCE CODES

Code of Conduct for Insurers

The Code of Conduct for Insurers was drawn up based on core values established in 2018: 'providing security', 'making it possible' and 'social responsibility'. The Code includes principles relating to the conscientious treatment of customers and the continuing education of directors and internal supervisors. This Code of Conduct (the most recent version dates from June 2018) combines existing and new self-regulation of the sector with general provisions, including core values and rules of conduct. Based on the Code of Conduct, insurers give more depth to their public role, drawing on their own corporate vision. Achmea is doing this by means of, for example, the Achmea 'purpose', in which sustainability and social involvement play a prominent role and has anchored this in its processes and the Achmea Code of Conduct. For information about embedding the principles on the conscientious treatment of customers, please see Supplement F - PSI table of this Annual Report. Details on how continuing education of directors and internal supervisors is embedded are included in the relevant sections of this section.

Banking Code

The services we provide to our customers also include banking products, which Achmea offers through Achmea Bank N.V. The Banking Code, Het Maatschappelijk Statuut (the Social Charter) and the rules of conduct associated with the Bankers' Oath together make up the Future-Oriented Banking package. The purpose of this package is to play a role in restoring trust in society in relation to banks and their roles in the community. Achmea Bank N.V. accounts for its compliance with the Banking Code principles on the websites www.achmeabank.nl and www.achmeabank.com. Here, specific examples are used to illustrate how the rules of conduct are complied with.

Dutch Corporate Governance Code

Since 1 January 2004, listed companies in the Netherlands have been required to report on compliance with the Dutch Corporate Governance Code in their annual report on a 'comply or explain' basis. The purpose of the Code is to facilitate with or in relation to other laws and regulations a sound and transparent system of 'checks and balances' within Dutch listed companies and, to that end, to regulate relations between the Management Board, the Supervisory Board and the General Meeting. Compliance with the Code contributes to confidence in the good and responsible management of companies and their integration into society.

CORPORATE GOVERNANCE

Although Achmea has listed instruments (issued bonds), it is not a listed company. We have voluntarily adopted and embedded the majority of the Corporate Governance Code's principles in our governance structure. Where applicable, we are almost fully in compliance with the principles and best practices.

In 2023, we had not complied with the following two principles of the Dutch Corporate Governance Code:
- Independence of Supervisory Board members (principle 2.1.8)
- Adoption of the remuneration policy for the Executive Board by the General Meeting (principle 3.1.1)

Members of Achmea's Supervisory Board are nominated by our shareholders (i) Vereniging Achmea, (ii) Coöperatieve Rabobank U.A., (iii) Gothaer Allgemeine Versicherung AG, Gothaer Finanzholding AG and Schweizerische Mobiliar Versicherungsgesellschaft A.G. jointly and, on the basis of the enhanced right of recommendation, by the Central Works Council (COR).

All members of Achmea's Supervisory Board fulfil their duties independently and not bound by any instructions. As of 31 December 2023, two of the eight members of the Supervisory Board of Achmea B.V. did not comply with the independence criterion (principle 2.1.8 of the Corporate Governance Code), because they are Executive Board or Supervisory Board members at an organisation holding more than 10% of the shares in Achmea. In fact, Mr. De Weijer is a member of the Board of Directors of Vereniging Achmea. Ms. Hofsté is a Supervisory Board member at Coöperatieve Rabobank U.A. Both Vereniging Achmea and Coöperatieve Rabobank U.A. hold more than 10% of Achmea's shares. Principle 2.1.8 of the Corporate Governance Code should be taken in conjunction with principle 2.1.7, whereby 2.1.7 pertains to the criteria for guaranteeing independence of the Board as a whole. The independence of the Supervisory Board is guaranteed and its composition complies with the criteria laid down in principle 2.1.7.

Members of the Supervisory Board are nominated by the General Meeting based on their expertise and independence and take part in the meetings of the Supervisory Board without reference to or prior consultation with the parties which nominated them. Where appropriate, they refrain from participating in deliberations or decision-making.

Regarding the principle of determining the remuneration policy, the Supervisory Board determines the salary and the terms and conditions of employment of members of the Executive Board. The Achmea Remuneration Policy is also adopted by the Supervisory Board, after review by the Remuneration Committee. Achmea regards the fixing of the remuneration policy for the Executive Board as a matter for the Supervisory Board and therefore does not submit the matter to the General Meeting. The General Meeting is of course informed annually of the remuneration of the Executive Board members via sections in the annual report on this remuneration and via the annual Remuneration Report.

The manner in which Achmea has adopted and embedded the Corporate Governance Code has been approved by the Supervisory Board. Likewise, our current corporate governance structure was approved by the General Meeting.

Achmea Code of Conduct

Achmea aims to be a leader in terms of its own rules of conduct and in terms of anticipating current and new regulations. For example, Achmea has decided to have all employees take a special oath or affirmation for the financial industry, which is in line with Achmea's cooperative identity. Active control, exercised to foster integrity and prevent integrity violations and fraud, limits any negative impact on trust, returns and the cost of claims. Achmea has therefore drawn up an Achmea Code of Conduct to ensure ethical conduct in accordance with Achmea's values and standards. Achmea's Code of Conduct is available at www.achmea.nl.

By recording duties and responsibilities in the area of fraud, risk management and checks, the control over and limitation of fraud is secured. Should an ethics violation or incident of fraud nevertheless occur, this can be reported on a confidential basis. A whistleblower policy is in place for this purpose and available at www.achmea.nl.

CORPORATE GOVERNANCE

EXECUTIVE BOARD

Responsibilities and role in corporate governance

The Executive Board is responsible for managing the company. This implies that the Executive Board is responsible for day-to-day business at Achmea and day-to-day business at the affiliated companies, for the accomplishment of company targets and for determining strategy and policy aimed at achieving these targets. The Executive Board maintains a set of regulations that govern the specific duties and activities of – and the division of duties between – the individual members, as well as the decision-making process within the Executive Board. The Executive Board is required to inform the Supervisory Board of any fundamental differences of opinion between the Executive Board and the management of the companies or entities. There were no fundamental differences of opinion in 2023. Each board member is directly responsible for specific Achmea activities (for further reference, see the personal profiles of the members of the Executive Board), with clear reporting lines of divisional and staff directors. The entire Executive Board is involved in the risk management anchored in the organisation and policies and their implementation. Together with another member of the Executive Board, the CFO and CRO sit on the Asset Liability Committee, which is chaired by the CFO. They also sit on the Group Risk Committee, which is chaired by the CRO. This facilitates improved short-term management of the balance sheet and also guarantees integral risk management at group level. The Executive Board members ensure that the interests of all parties that have dealings with Achmea, including customers, employees, partners and shareholders are considered in a balanced way. The Executive Board takes Achmea's continuity, the corporate social environment in which we operate and applicable regulations and codes into account when considering these interests. All members of the Executive Board have taken the oath or affirmation.

Achmea uses the 'stakeholders' model, which ensures that overall management and decision-making are in line with the interests of customers, employees, (business) partners, sustainability, society and capital providers. This is all embedded in the strategy and identity of the Group and subsequently in the leadership profile, business plans and remuneration policy, and is also part of the considerations in every resolution adopted by the Executive Board. The formulation of objectives for the Executive Board and senior management is based on the Stakeholder Value Management model. The annual objectives have been ranked according to six different perspectives: customers, society, employees, partners, processes and financials.

End responsibility for our sustainability policy lies with the Executive Board. The Supervisory Board supervises this process. The Executive Board set up a programme called Achmea Sustainable Together, which implements Achmea's sustainability activities.

Composition and diversity

Members of the Executive Board are appointed by the Supervisory Board on the non-binding nomination of Stichting Administratiekantoor Achmea (the holder of the A-share in Achmea B.V.). Executive Board members are selected based on their proven experience and competencies in the financial services industry. The members of the Executive Board provide a good mix of specific insurance experience (health, non-life, pension & life) and experience in the public/retail market (healthcare, pensions), the various distribution channels (direct, broker and bancassurance) and areas such as Finance, IT and HR.

As of 31 December 2023, the Executive Board was comprised of six members, three men and three women. Achmea aims to establish a good male/female ratio on the Executive Board. In addition to the aim of maintaining a balance in the Executive Board's skills while ensuring that newly appointed members have the necessary experience of insurance, finance and risk, improving gender diversity is always included in the considerations. In successor planning for the Executive Board and the management level immediately below it, the advancement of women to top positions remains a priority in each vacancy. In this, maintaining and strengthening the right mix of skills remain the key decisive factors in the selection process. The organisation also places focus on cultural diversity.

NAME	NATIONALITY	GENDER-IDENTITY	EDUCATION	POSITION	APPOINTED
B.E.M. Tetteroo (1969)	Dutch	Female	Economics/Accountancy	Chairman	June 2015
M.A.N. Lamie (1966)	Dutch	Male	Economics/Accountancy	Vice-chairman / Chief Financial Officer	January 2017
M.G. Delfos (1970)	Dutch	Male	International Economic Law	Chief Risk Officer	April 2022
D.C. de Kluis (1969)	Dutch	Female	Psychology	Member	October 2021
R. Otto (1967)	Dutch	Male	Law/MBA	Member	August 2015
L.T. Suur (1974)	Dutch	Female	International business administration	Member	September 2019

CORPORATE GOVERNANCE

Continuing education

At the beginning of each year, the themes for the continuing education programme of both the Executive Board and the Supervisory Board are established in consultation with the chairman of the Supervisory Board and the chairman of the Executive Board. The programme is aimed at maintaining and broadening the expertise of the members of the Executive Board and the members of the Supervisory Board. In addition to these special sessions, which are typically jointly attended by members of the Supervisory Board and Executive Board, attention is also given at regular meetings to relevant developments related to the financial industry, corporate governance, compliance, sustainability, customer centricity and risk and compliance through presentations given by internal and/or external specialists. There is also scope to address subjects of a topical nature. Members of the Executive Board continue to pursue education on an individual basis as well.

SUPERVISORY BOARD

Responsibilities and role in corporate governance

The role of the Supervisory Board is to supervise the policies of the Executive Board and the general affairs of the company and its affiliated business. It advises the Executive Board. In discharging their duties, the members of the Supervisory Board shall be guided by the interests of the company and its affiliated business. Supervisory Board approval is required for major business-related decisions, such as the transfer of a substantial part of the company's operations, entering into or terminating a long-term partnership, major participations and investments, and termination of the employment or substantial change in the working conditions of a significant number of employees. This applies irrespective of the fact that fundamental and large-scale strategic changes or investments must be approved by both the Supervisory Board and the General Meeting. The Supervisory Board and its individual members have a responsibility to obtain all relevant information required to perform their duties. These requirements are communicated to the chair of the Supervisory Board. Information sources are usually the Executive Board, the Company Secretary, the Risk and Compliance function, HR, Internal Audit and the external auditor. However, if deemed appropriate by the Supervisory Board, information can also be obtained from corporate officers and external advisers who can be invited to attend Supervisory Board meetings or provide continuing education. The Supervisory Board consists of members who, even if they are nominated by shareholders or the Central Works Council, act in the interest of the company as a whole in the performance of their duties. All members of the Supervisory Board participate in meetings with no reference to or prior consultation with the parties that nominated them. All members of the Supervisory Board have sworn the oath or affirmation.

Composition and diversity

The composition of the Supervisory Board and nominations in the event of vacancies reflect the cooperative shareholder structure and employee participation through Achmea's Central Works Council (COR). The size of the Supervisory Board was set at a maximum of 10 members on the proposal of the A share holder; the nominations of the major shareholders were also aligned to that number. Vereniging Achmea is authorised to nominate candidates for four seats on the Supervisory Board. As the indirect holder of the A-share, Vereniging Achmea also has the right to appoint the chair from among the members of the Supervisory Board. Coöperatieve Rabobank U.A. can put forward a candidate for a single seat. Gothaer Allgemeine Versicherung AG, Gothaer Finanzholding AG and Schweizerische Mobiliar Versicherungsgesellschaft A.G. have the right to jointly nominate one candidate The Central Works Council will appoint three members of the Supervisory Board. This arrangement is in keeping with the legal framework of the Central Works Council's right of recommendation.

In principle, every member of the Supervisory Board attends a meeting of the Central Works Council at least once a year. The General Meeting appoints and reappoints members of the Supervisory Board on the formal recommendation of the Supervisory Board. All the proposed changes to the composition of the Supervisory Board are discussed with the Central Works Council.

As of 31 December 2023, the Supervisory Board had eight members: five men and three women. During the recruitment process we will consider the diversity policy formulated by the Supervisory Board: i) a balanced male-female ratio aiming for at least 1/3 female and at least 1/3 male, ii) a balanced mix of experience and expertise considering the suitability of the individual and the compisition of the team; iii) the aim for more diversity (including multicultural) and balance in the age composition of the members. Members of the Supervisory Board are selected and appointed based on a profile of the required professional background, education, local and international experience, skills, diversity and independence.

The current composition of the Supervisory Board is such that the mix of experience and expertise present allows the commissioners to fulfil their obligations. In addition to diversity in terms of knowledge, expertise and age, there is also gender diversity. Achmea therefore meets the legal target for male/female diversity in the Supervisory Board.

All members of the Supervisory Board are in compliance with the Management and Supervision of Legal Entities Act in terms of the number of supervisory board memberships that they hold.

Please see the Supervisory Board Report for details of the composition of the Supervisory Board as of 31 December 2023 and the expertise table.

CORPORATE GOVERNANCE

Continuing education

For information on how the continuing education programme is organised, please refer to the relevant part of the section headed 'Executive Board'. In addition, new Supervisory Board members attend an introduction programme specially designed for them. For more information on education courses attended in 2023, please see the Supervisory Board report in this annual report.

Supervisory Board committees

The Supervisory Board maintains three specialised committees that advise the full board: the Audit & Risk Committee, the Remuneration Committee and the Selection & Appointments Committee.

Financial, audit, risk and compliance issues as well as sustainability and other reporting are primarily discussed by the Audit & Risk Committee. These meetings are attended by the CFO, the CRO, the Director of Internal Audit and the external auditor. The Directors of Finance, Actuarial, Risk Management and Compliance are invited for the agenda items relevant to them. The Audit & Risk Committee holds meetings with the external auditor in the absence of the members of the Executive Board and the Director of Internal Audit at least twice a year. Please see the Supervisory Board report for further information.

The principal duty of the Remuneration Committee is to advise the Supervisory Board on remuneration policy for the entire Achmea Group (including foreign operating companies). The Remuneration Committee is responsible for formulating guidelines and monitoring the implementation of and compliance with the remuneration policy for the entire Achmea Group. This responsibility includes advising the Supervisory Board on the performance management of the Executive Board's members (for instance maintaining the balance between short and long-term interests and a focus on customers' interests and sustainability). Remuneration is regularly evaluated, for instance with the aid of external benchmarks, and the committee assesses whether remuneration levels are appropriate in terms of the duties and responsibilities associated with a position. The Chair of the Executive Board attends all meetings of the Remuneration Committee except when her own remuneration is on the agenda or in other cases to be determined at the discretion of the committee chair.

The Selection & Appointment Committee's task is to monitor the composition, profile and functioning of both the Supervisory Board and the Executive Board. The committee looks for and makes recommendations regarding potential candidates, in some cases in consultation with the Central Works Council or the relevant shareholder that has the right to nominate candidates. The chair of the Executive Board attends all meetings of the Selection & Appointments Committee except if her own performance is on the agenda or in other cases to be determined at the discretion of the committee chair.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Shareholders

The majority of Achmea's shareholders are non-listed European organisations with cooperative roots.

Customers in the Netherlands are directly represented by Achmea's largest shareholder, Vereniging Achmea, directly and indirectly through Stichting Administratie-Kantoor Achmea (STAK Achmea). Vereniging Achmea holds the depositary receipts issued by STAK Achmea for the ordinary shares held by in the capital of Achmea B.V. by STAK Achmea. As of 31 December 2023, STAK Achmea's board consisted of the two deputy chairs of Vereniging Achmea and two directors of Vereniging Achmea. The prior approval of Vereniging Achmea's board is required for the adoption of important resolutions by STAK Achmea. In certain cases, the prior approval of Vereniging Achmea's Council of Members is also required. As of 31 December 2023, Vereniging Achmea owns – partly through STAK Achmea – a total of 66.94% of the ordinary shares in the capital of Achmea BV.

Coöperatieve Rabobank U.A., Achmea's second largest shareholder, is likewise a cooperative organisation. As of 31 December 2023, Coöperatieve Rabobank U.A. owns a total of 31.14% of the ordinary shares in the capital of Achmea BV.

Other shareholders, which as of 31 December 2023 jointly hold 1.92% of the ordinary shares in the capital of Achmea B.V., are Gothaer Allgemeine Versicherung AG, Gothaer Finanzholding AG and Schweizerische Mobiliar Versicherungsgesellschaft A.G. Gothaer Allgemeine Versicherung AG, Gothaer Finanzholding AG and Schweizerische Mobiliar Versicherungsgesellschaft A.G. are members of the Eurapco alliance of independent European financial services providers (see www.eurapco.com for further information).

As of 31 December 2023, 5.98% of Achmea's total outstanding share capital consisted of preference shares held by Achmea Tussenholding B.V. All (ordinary) shares in Achmea Tussenholding B.V. were held by Stichting Administratiekantoor Achmea Tussenholding, which in turn had issued depositary receipts to investors. Those investors therefore received the dividend paid by Achmea on the preference shares. They did not have the right to vote in Achmea's General Meeting: this right was held by Achmea

CORPORATE GOVERNANCE

Tussenholding B.V. In the Extraordinary General Meeting of 21 December 2023, the decision was made to withdraw the preference shares in Achmea B.V. as of end of day 31 December 2023 and Achmea Tussenholding B.V. was no longer a shareholder as of that moment. As of the same moment, the (ordinary) shares in Achmea Tussenholding B.V. were also withdrawn. As a result, the claim rights linked to this and held by the investors (in the form of depositary receipts for shares) were also terminated on 2 January 2024 (as at the time of payment obligation to the investors).

	CAPITAL- AND VOTING RIGHTS
Vereniging Achmea (direct and via STAK)[1]	66.94%
Coöperatieve Rabobank U.A.	31.14%
Gothaer Allgemeine Versicherung A.G.	0.55%
Gothaer Finanzholding A.G.	0.63%
Schweizerische Mobiliar Versicherungsgesellschaft AG	0.74%

[1] Vereniging Achmea owns 9.17% directly and 57.77% indirectly through Stichting Administratie-Kantoor Achmea.

General Meeting

Due to the statutory two-tier board regime that applies to Achmea, the authority of the General Meeting is restricted. Under the law and agreements in force, certain responsibilities rest with the Supervisory Board. The approval of the shareholders is nevertheless required for important corporate-law issues such as amendments to the Articles of Association, approval of the financial statements and decisions regarding the determination of profit appropriation and the distribution of dividend, resolutions concerning the issue of shares or the granting of rights to subscribe for shares (or appointing the Executive Board to arrange for such issue of shares or granting of rights), the reduction of Achmea's share capital, the appointment and dismissal of members of the Supervisory Board, and resolutions to dissolve, merge or divide Achmea. Crucial strategic resolutions that entail a fundamental change of course in Achmea's strategy and large-scale investments must be approved in the General Meeting. The General Meeting may only adopt resolutions to this effect with due observance of the quorum and voting requirements laid down for this purpose in the Articles of Association (quorum representing at least 80% of the issued capital and votes cast representing at least 80% of the issued ordinary shares).

At the annual General Meeting held in April 2023, in addition to the regular resolutions on the 2022 annual report and financial statements, the profit appropriation and the discharge from liability of the members of the Executive Board and the Supervisory Board, the reappointment by the Supervisory Board of Ms. Tetteroo, Ms. Suur and Mr. Otto as members of the Executive Board and the reappointment by the General Meeting of Mr. Wijmenga and Ms. Hofsté as members of the Supervisory Board were discussed. In the annual General Meeting held in April 2023, the retirement and discharge of Ms Sneller for the financial year 2023 to 12 April 2023 were discussed, as well as the update of the general profile of a member of the Supervisory Board.

The Special General Meeting of 25 July 2023 considered the General Meeting's appointment of Ms Meijer as a member of the Supervisory Board.

As mentioned previously, the Special General Meeting of 21 December 2023 was dominated by the withdrawal of the preference shares. In addition, the General Assembly adopted a new dividend policy for the years 2023, 2024 and 2025.

Voting rights

Specific rights are attached to A-shares, which are held by STAK Achmea, including the right to make a non-binding recommendation to the Supervisory Board concerning the appointment of members of the Executive Board, the appointment of the chairman of the Supervisory Board, the approval of a resolution concerning the dissolution, merger or division of Achmea, and the issue and transfer of Achmea shares. Vereniging Achmea, as depositary receipt holder for the shares held in Achmea by STAK Achmea, has the right to attend the General Meeting, but has no voting rights in respect of these depositary receipts. Shareholders and holders of depositary receipts for shares may authorise someone in writing to represent them. Members of the Executive Board and Supervisory Board are authorised to attend the General Meeting. They have an advisory and informative role in this meeting.

Provisions of the Articles of Association on dividend policy

The rules on the distribution of dividend are set out in Achmea's Articles of Association. Dividend is owed and payable four weeks after it has been adopted by the General Meeting (unless a different date is determined in this regard). The Executive Board may propose to the General Meeting that the dividend be distributed wholly or in part otherwise than in cash. The General Meeting may resolve to distribute all or part of the net result. On a proposal from the Executive Board, the General Meeting may resolve to distribute an interim dividend. Achmea's dividend policy is explained in more detail in the Notes to the consolidated financial statements.

BIOGRAPHIES EXECUTIVE AND SUPERVISORY BOARD MEMBERS

Executive Board

BIANCA E.M. TETTEROO (1969)

Chair of the Executive Board

Bianca Tetteroo joined the Executive Board in June 2015 and has held the role of Vice-Chair since 1 January 2020. On 13 April 2021, Ms Tetteroo was appointed Chair of the Executive Board.

Ms Tetteroo completed her studies in information management and accountancy at Nyenrode University in 1997. She has also attended various executive training programmes, including on corporate governance and leadership at INSEAD. She began her career in 1988 at the accountancy firm Mazars. She entered the financial services industry in 1996 at what was then called Fortis, where she held various positions in Asset Management, De Verzekeraar and elsewhere. She joined Achmea in 2009, where she held the position of financial director at Syntrus Achmea. Ms Tetteroo had headed the Pension & Life division since 2012.

Ms Tetteroo is responsible for the focus areas Strategy & Transformation (incl. IT), Human Resources/Management Development, Administrative Office, Corporate Communications & Public Affairs and Internal Audit.

Ms Tetteroo also serves on the Supervisory Board of Netspar and De Kunsthal Rotterdam. In addition, she is a Board member of Garanti Emiklilik and of the National Cooperative Council. Ms Tetteroo is also a Board member of the Dutch Association of Insurers, as well as the Board of the Achmea Foundation.

Ms Tetteroo also serves the board of the National Cooperative Council and Eurapco. She is also a Board member of Garanti Emeklilik, a Board member of the Achmea Foundation and a Board member of VNO-NCW. Ms. Tetteroo is also a member of the board of the Association of Insurers where she holds the position of vice president. Until 31 December 2023, Ms Tetteroo was a member of the Supervisory Board of Netspar.

MICHEL A.N. LAMIE (1966)

Vice-Chairman and Chief Financial Officer

Michel Lamie joined the Executive Board on 1 January 2017. He was appointed Chief Financial Officer on 1 April 2017 and Vice-Chairman of the Executive Board on 13 April 2021.

Mr. Lamie is responsible for the focus areas Finance, Balance Sheet Management, M&A and Achmea Reinsurance. He is Chairman of the Supervisory Board of Achmea Reinsurance Company N.V. and member of the Management Board of Achmea Pensioen- en Levensverzekeringen N.V. and Achmea Schadeverzekeringen N.V.

Mr. Lamie is a chartered accountant and studied Economics and Accountancy at VU University Amsterdam. After earning his degree, Mr. Lamie began his career at KPMG, followed by a position as CFO of RSA Benelux. Mr. Lamie then worked at Achmea, including as Group Director Finance & Control. He has been a member of the Board of De Goudse Verzekeringen as Deputy Chairman since 2005 and, from 2009 to 2016, served as Board Chairman. In addition, Mr. Lamie served for many years as a director of the Dutch Association of Insurers (Verbond van Verzekeraars) and Chairman of the Supervisory Board of insurance broker Van Lanschot Chabot (now known as VLC & Partners). In addition to his positions at Achmea, Mr. Lamie is also a member of the Supervisory Board of Royal De Heus.

DAPHNE C. DE KLUIS (1969)

Daphne de Kluis is a member of the Executive Board of Achmea since October 2021.

Ms De Kluis studied Work and Organisational Psychology at the University of Amsterdam. She joined ABN AMRO in 1998. After holding various positions within Commercial Clients and Corporate & Institutional Banking, in 2009, she was named Global Head of Debt Solutions and, in 2013, Global Head of Financial Restructuring & Recovery. In 2017, she was appointed CEO Commercial Banking and was appointed a member of the Executive Committee of ABN AMRO.

Ms De Kluis is responsible for the Pension & Life division, Achmea Pension Services, Achmea Investment Management, Syntrus Achmea Real Estate and Achmea Bank.

Ms De Kluis is a member of the Supervisory Board of Achmea Bank N.V., the Supervisory Board of Syntrus Achmea Real Estate & Finance B.V. and the Supervisory Board of Achmea Investment Management B.V. She is a member of the Management Board of Achmea Pensioen- en Levensverzekeringen N.V.

BIOGRAPHIES EXECUTIVE AND SUPERVISORY BOARD MEMBERS

ROBERT OTTO (1967)

Robert Otto joined the Executive Board in August 2015. After reading Law at Leiden University, he began his career in 1992 at ING. In his final position at the banking and insurance group he was responsible for ING Insurance and Postbank Insurance. After a period of two years as CEO of OHRA, he took up the post of managing director of the commercial division of Delta Lloyd in 2010. In mid-2013, Robert Otto joined Achmea as chairman of the Non-Life division.

Mr. Otto is responsible for the Zilveren Kruis division, InShared and the foreign operating companies (OpCos) in Australia, Canada, Greece, Turkey and Slovakia.

Mr. Otto is Chairman of the Board of Eureko Sigorta and Interamerican Greece. He is also SOOA (senior officer outside Australia) and Chairman of the Supervisory Board of Achmea Australia. He is also chairman of the Supervisory Board of Union and a member of the Supervisory Board of Onlia, as well as chairman of the Supervisory Board of InShared.

In addition, Mr. Otto is a Board member of Thuiswinkel.org and a board member of AMICE, ICMIF and the iFHP and is a member of the Supervisory Board of Thuiswinkel B.V.

LIDWIEN T. SUUR (1974)

Lidwien Suur joined the Executive Board in September 2019. Ms. Suur studied International Business at Maastricht University and started her career in 1998 at ING/Nationale-Nederlanden. While there, among other things, she served as Director of Income Protection Insurance and Programme Director Strategy. She held the position of Managing Director of Unigarant and ANWB Verzekeren from the beginning of 2012 and has been a member of the board of ANWB since 2014. In 2016, she was made CFO of the ANWB.

Ms. Suur is responsible for the divisions Non-Life, Centraal Beheer, Interpolis, Distribution, Innovation & Brand as well as Achmea Corporate Relations & Partnerships.

She is a member of the Management Board of Achmea Schadeverzekeringen N.V. She is also a member of the Supervisory Board of Achmea Reinsurance Company N.V., member of the Supervisory Board of InShared and Chair of the Supervisory Board of N.V. Hagelunie, as well as a board member of the Achmea Innovation Fund B.V. As of 14 September 2023 Ms Suur is also a vice-chair of the Supervisory Board of Interamerican Greece.

Ms. Suur is also Chair of the Non-Life Insurance Sector Board of the Dutch Association of Insurers and Chair of the Administrative Consultation between the Dutch Association of Insurers and NVGA. She is also Chair of the Supervisory Board of the Dutch Terrorism Risk Reinsurance Company. She is Vice-Chair of the Board of Guarantee Fund Motor Traffic (Waarborgfonds Motorverkeer) and Vice-Chair of the Netherlands Bureau of Motor Insurers (Nederlands Bureau der Motorrijtuigverzekeraars).

MICHIEL G. DELFOS (1970)

Chief Risk Officer

Michiel Delfos joined the Executive Board as Chief Risk Officer in April 2022.

Mr. Delfos joined Achmea in early 2014 as Director of Property & Casualty insurance and became president of the Non-Life division in October 2015. He previously held various management and executive positions at Delta Lloyd and ABN AMRO Insurance, focusing on Sales, Marketing, Operations, Finance and Legal Affairs. He studied International Economic Law at Leiden University.

Mr. Delfos is responsible for Risk & Management, Compliance & Actuarial, Central Services, Achmea Legal Aid Foundation, Legal Affairs, Governance, Coordination Supervisors and the Achmea Sustainable Together programme.

Mr. Delfos is Chairman of the Supervisory Board of the Netherlands Atomic Energy Pool. He also participates on behalf of Achmea in the CRO Forum, a group of professional risk managers from the European insurance industry dedicated to developing and promoting best practices in Risk Management.

BIOGRAPHIES EXECUTIVE AND SUPERVISORY BOARD MEMBERS

Supervisory Board

JAN VAN DEN BERG (1964)
Jan van den Berg is a member of the Supervisory Boards of Achmea B.V., Achmea Schadeverzekeringen N.V. and Achmea Pensioen- & Levensverzekeringen N.V. He is also a member of the Supervisory Boards of Achmea Zorgverzekeringen N.V. and its subsidiaries.

Mr. van den Berg is also Chairman of the Supervisory Board of MyTomorrows and also serves as an advisor to the Ministry of Healthcare (Singapore) and board member of the Oranjefonds and Diabetesfonds.

Mr. Berg has over 20 years' management experience in the international insurance market. He worked at Coopers & Lybrand Corporate Finance, Nationale Nederlanden, AXA and Prudential Financial, where he held the post of Asia President until 2017.

WIM H. DE WEIJER (1953)
Wim de Weijer is Vice-Chairman of the Supervisory Board of Achmea B.V. and of the Supervisory Boards of Achmea Schadeverzekeringen N.V. and Achmea Pensioen- en Levensverzekeringen N.V. He is also Chairman of the Supervisory Boards of Achmea Zorgverzekeringen N.V. and its subsidiaries. Mr. De Weijer is also a Board member of Vereniging Achmea and of Stichting Continuïteit Achmea.

In addition, Mr. De Weijer is director-owner of W. de Weijer Bestuursadviezen B.V. and a member of the Supervisory Board of ADG.

PETRI H.M. HOFSTÉ (1961)
Petri Hofsté is a member of the Supervisory Board of Achmea B.V., Achmea Schadeverzekeringen N.V. and Achmea Pensioen- en Levensverzekeringen N.V., as well as the Supervisory Board of Achmea Investment Management B.V.

Ms Hofsté, a qualified chartered accountant, started her career at KPMG, where she was a partner in the Financial Services Audit practice until 2006. She subsequently held the positions of group controller and Deputy CFO at ABN AMRO Group, Division Director of Banking Regulation at the Dutch Central Bank (DNB) and CFRO at APG.

Ms Hofsté is also a member of the Supervisory Board of Rabobank, Pon Holdings B.V. and Koninklijke FrieslandCampina N.V. and Chairman of the Boards of Stichting Nyenrode, Vereniging Hendrick de Keyser and Stichting Capital Amsterdam. She is also a Board member of Impact Economy Foundation and of Stichting Radix Nederland, a member of the Advisory Board of SER Topvrouwen.nl and WIFS and member of the Financial Reporting & Accountancy Committee of the AFM.

LEX A.M. KLOOSTERMAN (1956)
Lex Kloosterman is a member of the Supervisory Board of Achmea B.V. He is also a member of the Supervisory Board of Achmea Schadeverzekeringen N.V., Achmea Pensioen- en Levensverzekeringen N.V. and N.V. Hagelunie.

After completing his law studies at Leiden University, he held various (international) positions at ABN AMRO Bank for 20 years in the US, Brazil, Singapore and in Europe. From 2006 to 2008, he was responsible for Asset Management and Private Clients on the Executive Committee of Fortis SA/NV, and from 2009 to 2018 he worked as Director at Rabobank International.

Mr. Kloosterman is Investor Director at Cerberus Global Investments B.V. and was until 30 June 2023 director of the AGRI3 Foundation.

ROEL TH. WIJMENGA (1957)
Roel Wijmenga is a member of the Supervisory Boards of Achmea B.V., Achmea Pensioen- en LevensverzekeringenN.V., Achmea Schadeverzekeringen N.V. and Achmea Reinsurance Company N.V. Mr. Wijmenga was CFO of ASR Verzekeringen from February 2009 to May 2014. Prior to this he was a member of Executive Board of Achmea B.V. and of the Board of Directors of Interpolis and a member of the Executive Board of Fortis ASR Verzekeringen. He previously held several business roles in the insurance industry: at AMEV and Fortis. Mr. Wijmenga is currently Chairman of the Philips Pension Fund.

BIOGRAPHIES EXECUTIVE AND SUPERVISORY BOARD MEMBERS

MIRIAM R. VAN DONGEN (1969)

Miriam van Dongen is a member of the Supervisory Board of Achmea B.V., Achmea Pensioen- en Levensverzekeringen N.V. and Achmea Schadeverzekeringen N.V. as well as the Supervisory Board of Achmea Bank N.V. She is also a member of the Supervisory Board of Achmea Zorgverzekeringen N.V. and its subsidiaries and a member of the Supervisory Board of Centraal Beheer PPI N.V.

Ms Van Dongen started her career at research firm IRIS (Rabobank/Robeco Group) and McKinsey & Company. She also held various positions at Delta Lloyd N.V., including as CFO of Delta Lloyd Belgium. From 2007 to 2009, she was CFOof Zilveren Kruis Achmea.

In addition, Ms Van Dongen is vice-president of the Supervisory Board of Optiver and Vice-Chair of the Supervisory Board of Mollie B.V., as well as Vice-Chair of the Supervisory Board of Kadaster and member of the Supervisory Board of Het Balletorkest. She is also Non-Executive Director of QEV Technologies and Independent Chair Advisory Council at uMunthu Investment Company – Goodwell Investments and senior advisor at BlackFin Capital Partners.

TJAHNY R. BERCX (1963)

Tjahny Bercx is a member of the Supervisory Boards of Achmea B.V., Achmea Pensioen- en Levensverzekeringen N.V. and Achmea Schadeverzekeringen N.V.

In 1980, Mr. Bercx began his career in the Royal Navy. In his last period here he held the position of naval officer psychologist. He made the transition to the corporate world in 1997. He worked successively as Vice President HR at ING Barings (1998) and KLM (2000). In 2005, he joined LeasePlan (LP). Here he worked as CHRO, CEO Brazil, CEO Mexico, CEO USA, among others. In his last position he was a member of the Executive Committee focusing on Chief People & Performance Officer as well as Regional Director USA, Mexico, Brazil, Austria and Switzerland. Following the sale to ALD, Mr. Bercx resigned at his own request effective 22 May 2023.

Mr. Bercx has a master's degree in psychology (OU), a master's degree in Work & Organization in Occupational Health (UU/NSPH), completed an MBA at Keele University (UK) and authored several HR books. He is also a member of the Supervisory Board of ProRail and a member of the Supervisory Board of the Help Them Come Home Foundation.

NIENKE MEIJER (1965)

Since 25 July 2023, Nienke Meijer has been a member of the Supervisory Board of Achmea B.V. Ms. Meijer is also a member of the Supervisory Board of Achmea Schadeverzekeringen N.V. and Achmea Pensioen- en Levensverzekeringen N.V.

Ms. Meijer is a member of the Supervisory Board of PostNL and Chairman of the Board of Stichting De Volkskrant and co-founder and partner of Stichting De Buitenboordmotor. Until 31 December 2023, Ms Meijer was a member of the Supervisory Board of Deloitte.

Previously, Ms Meijer was chairman of the Executive Board of Fontys Hogescholen and worked in various commercial and managerial roles at the publishers Wegener and VNU. Nienke Meijer studied Psychology & Marketing at Utrecht University and attended various international courses.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(BEFORE APPROPRIATION OF RESULT)

(€ MILLION)

	NOTES	31 DECEMBER 2023	REVISED 31 DECEMBER 2022	REVISED 1 JANUARY 2022
Assets				
Intangible assets	12	799	787	745
Associates and joint ventures	13	42	46	41
Property for own use and equipment	14	327	378	473
Investment property	4	725	850	1,028
Financial investments	5			
Investments from insurance and other		54,806	55,977	66,289
Banking credit portfolio		15,171	12,911	12,095
Deferred tax assets	15	971	1,031	930
Income tax receivable		79	78	
Insurance contract assets	6	5	11	9
Reinsurance contract assets	6	1,093	780	667
Receivables and accruals	16	1,720	1,914	1,139
Cash and cash equivalents	17	1,934	1,946	1,533
Assets classified as 'Held for sale'	20	46	26	7
Total assets		**77,718**	**76,735**	**84,956**
Equity				
Equity attributable to holders of equity instruments of the company		8,978	8,595	9,477
Non-controlling interest		2	2	9
Total equity	**18**	**8,980**	**8,597**	**9,486**
Liabilities				
Insurance contract liabilities	6			
Insurance contract liabilities Non-Life		6,875	6,282	6,760
Insurance contract liabilities Health		2,376	2,808	1,977
Insurance contract liabilities Life		34,973	34,336	46,399
Other provisions	19	938	876	1,155
Financial liabilities	7	20,079	19,479	17,545
Derivatives	5	3,472	4,317	1,427
Deferred tax liabilities	15	11	26	43
Income tax payable		14	14	164
Total liabilities		**68,738**	**68,138**	**75,470**
Total equity and liabilities		**77,718**	**76,735**	**84,956**

CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(€ MILLION)

	NOTES	2023	REVISED 2022
Insurance revenue		22,931	21,797
Insurance service expenses		-23,050	-21,272
Net result from reinsurance contracts		429	-52
Insurance service result	**9**	**310**	**473**
Investment return from (re)insurance activities		3,444	-11,793
Financial result from insurance contracts		-2,833	10,598
Financial result from reinsurance contracts		151	-27
Net financial result from (re)insurance activities	**10**	**762**	**-1,222**
Income from associates and joint ventures		-7	-23
Investment income from other activities	11	543	226
Income from service contracts	21	513	448
Other income	21	44	18
Total other income		**1,093**	**669**
Other operating expenses	23	790	693
Interest and similar expenses	22	325	137
Other expenses	24	96	145
Total other expenses		**1,211**	**975**
Profit before tax		**954**	**-1,055**
Income tax	25	140	-247
Net result		**814**	**-808**
Net result attributable to:			
Holders of equity instruments of the company		814	-808
Non-controlling interest		0	0
Average number of outstanding ordinary shares		375,685,702	375,685,702
Earnings per share (in euro)	26	2.17	-2.15

CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ MILLION)

	NOTE	2023	REVISED 2022
Items that will not be reclassified to the Statement of profit and loss[1]			
Remeasurements of net defined benefit liability[2]		-54	192
Unrealised gains and losses on property for own use[3]		-18	-1
Items that may be reclassified to the Statement of profit and loss[1]			
Currency translation differences (including realisations) on subsidiaries, associates, goodwill and joint ventures[4]		-9	21
Share in other comprehensive income associates and joint ventures[3]		2	
Net other comprehensive income		**-79**	**212**
Net result		814	-808
Comprehensive income		**735**	**-596**
Comprehensive income attributable to:			
Holders of equity instruments of the company		735	-596
Non-controlling interest		0	0

1 The position (including) taxes is shown within this overview. The footnotes below show the amount of tax on changes accounted in net other comprehensive income.
2 Accounted as part of Retained earnings. An amount of € 19 million (2022: € -66 million) taxes were recognized as part of the revaluations of the net defined benefit liability.
3 Accounted as part of Revaluation reserve. An amount of € 7 million (2022: € 2 million) taxes were recognized in the unrealized gains and losses on property for own use.
4 Accounted as part of Exchange difference reserve. The amount of taxes following this mutation amounts to € 0 million (2022: € 5 million). Within this line item the impact of hyperinflation accounting in Turkey is incorporated. For more information refer tot he general accounting principles.

CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

(€ MILLION)

	SHARE CAPITAL/ PREMIUM	OWN SHARES	LEGAL RESERVES	REVALUA-TION RESERVES	EXCHANGE DIFFER-ENCE RESERVE[3]	CASHFLOW HEDGES	OTHER RESERVES	RESULT FOR THE YEAR	OTHER EQUITY INSTRU-MENTS	SUBTOTAL EQUITY[1]	NON-CONTROL-LING INTEREST	TOTAL EQUITY
Balance at 31 December 2022	**11,357**	**-507**	**79**	**-251**	**-528**	**-7**	**-2,222**	**105**	**1,250**	**9,276**	**2**	**9,278**
Impact valuation IFRS 9/17				918	15		-702	-913		-681		-681
Balance at 1 January 2023	**11,357**	**-507**	**80**	**667**	**-513**	**-7**	**-2,924**	**-808**	**1,250**	**8,595**	**2**	**8,597**
Change in composition of the group												
Net other comprehensive income			6	-18	-33		-34			-79		-79
Net result								814		814		814
Total result			**6**	**-18**	**-33**		**-34**	**814**		**735**		**735**
Appropriations to reserves			2	-131	21		-700	808		0		
Dividends and coupon payments							-85			-85		-85
Issue, sale and purchase of equity instruments	-356	87					2			-267		-267
Balance at 31 December 2023	**11,001**	**-420**	**88**	**518**	**-525**	**-7**	**-3,741**	**814**	**1,250**	**8,978**	**2**	**8,980**

(€ MILLION)

	SHARE CAPITAL/ PREMIUM	OWN SHARES	LEGAL RESERVES	REVALUA-TION RESERVES	EXCHANGE DIFFER-ENCE RESERVE[3]	CASHFLOW HEDGES	OTHER RESERVES	RESULT FOR THE YEAR	OTHER EQUITY INSTRU-MENTS	SUBTOTAL EQUITY[1]	NON-CONTROL-LING INTEREST	TOTAL EQUITY
Balance at 1 January 2022	**11,357**	**-466**	**55**	**1,159**	**-517**	**-7**	**-2,822**	**467**	**1,250**	**10,476**	**9**	**10,485**
First time adoption IFRS 17[2]							-1,168			-1,168		-1,168
First time adoption IFRS 9[2]				-489	1		657			169		169
Balance at 1 January 2022 revised	**11,357**	**-466**	**55**	**670**	**-516**	**-7**	**-3,333**	**467**	**1,250**	**9,477**	**9**	**9,486**
Change in composition of the group											-7	-7
Net other comprehensive income			13	-11	3		207			212		212
Net result								-808		-808		-808
Total result			**13**	**-11**	**3**		**207**	**-808**		**-596**		**-596**
Appropriations to reserves			12	8			447	-467				
Dividends and coupon payments							-245			-245		-245
Issue, sale and purchase of equity instruments		-41								-41		-41
Balance at 31 December 2022	**11,357**	**-507**	**80**	**667**	**-513**	**-7**	**-2,924**	**-808**	**1,250**	**8,595**	**2**	**8,597**

1 Subtotal equity refers to equity attributable to holders of equity instruments of the company.
2 For the impact of the first-time adoption of IFRS 9/17, refer to 34 Transition to IFRS 9/17.
3 As part of the Exchange difference reserve the impact of hyperinflation in Turkey is incorporated. For further information please refer to the General Accounting principles.

Share capital/premium includes € 10,923 million share premium (31 December 2022: € 10,923 million). In 2023, Achmea B.V. paid out € 85 million (2022: € 245 million) of dividends and coupon payments of equity instruments. The total payments of € 85 million include € 55 million of coupon payments on equity instruments (2022: € 55 million). Dividend payments amounts to € 29 million (2022: € 190 million).

With regard to the result for 2022, the General Meeting decided at its meeting on 12 April 2023 not to pay a dividend on the ordinary shares. On the preference shares issued by Achmea B.V., a dividend of € 39 million (2022: € 20 million) was paid out to Achmea Tussenholding B.V., the holder of preference shares. Achmea B.V. 'received back' € 10 million (2022: € 3 million) as dividend as holder of the depositary receipts issued by Stichting Administratiekantoor Achmea Tussenholding in the capital of Achmea Tussenholding B.V. which are (indirectly) linked to the preference shares in Achmea B.V.

Achmea B.V. repurchased the outstanding € 356 million of preference shares on 31 December 2023, of which Achmea itself already held € 89 million in depositary receipts. The preference shares were issued in 2004 to various banks and institutional investors to strengthen the capital position.

The Executive Board periodically reviews and discusses Achmea’s capital efficiency. Based on this and in the interests of Achmea and its stakeholders, the Executive Board has taken the aforementioned decision, bearing in mind, among other things, that (i) the Preference Shares would no longer qualify as equity under Solvency II in accordance with the current conditions as of 1 January 2026, (ii) 1 January 2024 was the statutory reset date for the (adjustment of the) dividend percentage in respect of the Preference Shares for the next ten years and (iii) a successful issue of Tier 2 capital instruments took place in 2023.

Based on the accounting policies used by Achmea, unrealised gains and losses on Achmea’s buildings and land in own use are recognised in the revaluation reserve. In addition, Dutch regulations require Achmea to establish a Revaluation Reserve for all unrealised increases in value for assets not listed on active markets and for which the unrealised fair value changes are recognised in the statement of profit and loss. The reserve is formed by transferring the required amounts from Other Reserves to the Revaluation Reserve. Neither Revaluation reserves nor Legal reserves are freely distributable.

CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

CONSOLIDATED STATEMENT OF CASH FLOWS

(€ MILLION)

	NOTES	2023	REVISED 2022
Cash flows from operating activities			
Result before tax		954	-1,055
Adjustments of non-cash items and reclassifications:			
Non-cash items included in Insurance service result		-310	-473
Non-cash items included in Investment result from (re)insurance activities		-3,521	12,345
Non-cash items included in Finance result from insurance contracts		2,722	-10,631
Non-cash items included in Finance result from reinsurance contracts held		-34	58
Non-cash items included in Investment result from other activities		-16	-9
Amortisation and impairment on Intangible assets, Property for own use and equipment, and others (including foreign currency results)		93	126
Income from Associates and joint ventures		7	23
(Accrued) Interest expenses		56	51
Exchange rate differences, including the impact of hyperinflation and other movements		102	-16
		-901	**1,474**
Changes in operating assets and liabilities:			
Changes in Receivables and accruals and Other liabilities recognised as Financial liabilities		-1,426	-465
Changes in Insurance contract liabilities and assets net of Reinsurance contracts held assets and liabilities		-1,857	-738
Changes in Other provisions		-40	-34
Changes in Financial liabilities (excluding financing activities)		1,331	674
Changes in Investment property		12	161
Changes in Financial investments		1,976	-256
		-4	**-658**
Cash flows operating items not reflected in Result before tax:			
Received Income taxes		2	51
Paid Income taxes		-63	-209
		-61	**-158**
Total Cash flow from operating activities		**-12**	**-397**
Cash flow from investing activities			
Purchase of Subsidiaries, Associates and joint ventures and other investments (net of cash and cash equivalents)		-3	-92
Purchase of Property for own use and equipment		-39	-21
Investments in Intangible assets		-47	-24
Disposal of Subsidiaries, Associates, joint ventures and other investments (net of cash and cash equivalents)		2	2
Sales and disposal of Property for own use and equipment		5	3
Dividends received from Associates and joint ventures		6	4
		-76	**-128**

CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(€ MILLION)

	NOTES	2023	REVISED 2022
Cash flow from financing activties			
Repayment of loans and funds drawn down		235	1,297
Repurchase of equity instruments and certificates			
Dividends and coupon payments		-85	-245
Interest paid		-56	-51
Paid lease liabilities		-18	-22
		76	**979**
Net cash flow		**-12**	**454**
Net cash and cash equivalents at 1 January		1,946	1,533
Net cash and cash equivalents at 31 December	**17**	**1,934**	**1,946**
Cash and cash equivalents include the following items:			
Cash and bank balances		1,335	1,175
Call deposits		599	771
Cash and cash equivalents at 31 December	**17**	**1,934**	**1,946**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

GENERAL

GENERAL DISCLOSURES

Achmea B.V. is a private company with limited liability with its registered office in Zeist, the Netherlands. The company's head office is located at Handelsweg 2 in Zeist, the Netherlands. The Achmea Group (hereinafter referred to as 'Achmea') consists of Achmea B.V. and the entities over which it exercises dominant control ('control'). In its role as a financial service provider, Achmea operates as a non-life, health, income and life insurer. In addition, Achmea conducts banking activities, asset and pension management activities and other activities.

1. GENERAL ACCOUNTING POLICIES

A. APPROVAL OF FINANCIAL STATEMENTS

The Achmea B.V. consolidated financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Executive Board on 13 March 2024. On the same date, the Supervisory Board gave its advice to the General Meeting of Shareholders to adopt the financial statements. The Executive Board may decide to amend the financial statements as long as these have not been adopted by the General Meeting of Shareholders. The General Meeting of Shareholders may decide not to adopt the financial statements, but may not amend these.

B. BASIS OF PRESENTATION

The Consolidated Financial Statements of Achmea B.V. are prepared in accordance with International Financial Reporting Standards as adopted by the European Union on 31 December 2023 (hereinafter referred to as: EU and EU-IFRS). The consolidated financial statements of Achmea B.V. satisfy the legal provisions contained in Section 362, subsection 9 of Book 2 of the Netherlands Civil Code. All amounts listed in the consolidated financial statements are in millions of euros, unless stated otherwise. Assets and liabilities in the balance sheet are classified based on liquidity. If references are made to the balance sheet in these consolidated financial statements, this refers to the statement of financial position.

In the primary consolidated statement, items of a similar nature are condensed. In the notes these items are disaggregated as they are of relative importance for Achmea. Relative importance is assessed based on both quantitative and qualitative criteria. Quantitative criteria relate to the totals of the relevant category in the primary consolidated statements and the relative importance of the item in these statements. If the item is of relative importance quantitatively, it is disclosed further (in accordance with the required IFRS disclosures). If the item is not of relative importance quantitatively, Achmea applies qualitative criteria, such as specific importance to a user of the financial statements, to assess if further explanation in notes is required. If an item is of relative importance qualitatively, it is disclosed further in accordance with the IFRS requirements. If an item is not of relative importance, either quantitatively or qualitatively, the notes are as limited as possible in accordance with the Disclosure Initiative principles of the International Accounting Standard Board (IASB) and related materiality principles.

Furthermore Achmea has separated the notes into chapters 'Notes to sections Balance Sheet and statement of profit and loss' and 'Other notes'. The notes concerning the activities of Achmea of an insurance nature are included in 'Notes to sections Balance Sheet and statement of profit and loss'. Other notes are included because they meet the quantitative or qualitative relative importance criteria and are included in the section 'Other notes'.

C. CHANGES TO REPORTING

Achmea applied IFRS 9 and IFRS 17 for the first time in 2023. The application of these new standards has a significant impact on these financial statements. Subsection 34 explains the main resulting changes. In these financial statements, the new accounting policies and applied assumptions and estimates are included in note '5 – Investments' and note '6 – Assets and liabilities related to insurance contracts and reinsurers' share of insurance liabilities'.The comparative figures in the 2023 financial statements have been restated to reflect the new IFRS 9 and IFRS 17 accounting standards.

With effect from 31 December 2023, the Minimum Tax Rate Act 2024 (*Wet minimumbelasting 2024)* came into force. This legislation implements EU Directive 2022/2523 and stems from the agreements reached within the OECD context on the introduction of a minimum profit tax of effectively 15% (Pillar 2). This law applies to multinational companies with annual revenues that exceed the limit of € 750 million. In May 2023, the IASB made amendments to IAS 12: International Tax Reform Pillar Two Model Rules. The amendments mandate a temporary exception for recognition and disclosure of deferred tax effects arising from Pillar 2 corporate tax legislation. Achmea has applied this mandatory exception. In addition, the current corporate tax expenses arising from Pillar 2 should be disclosed separately during the periods in which this corporate tax legislation is in force. For more information, please refer to Note 15 'Deferred tax assets and liabilities' and Note 25 'Corporate tax'.

In addition, the following new standards, amendments to standards and interpretations issued by the International Accounting Standard Board (IASB) were adopted as of 1 January 2023. These have no significant impact on Total equity as per 30 June 2023, Net result for 2023 and comparative figures of Achmea B.V.:

- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- Amendments to IAS 1 Presentation of Financial Statements: Disclosure of Accounting Policies;
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates.

D. CHANGES IN STANDARDS AND AMENDMENTS WITH FUTURE APPLICATION DATE

The following amendments to standards with a future application date have been published in recent years. The effective date for these changes is 1 January 2024 and the changes are still subject to EU approval and when applied are expected to have no impact on Total equity or Net result, and have no impact or only a limited impact on the presentation and notes of Achmea:

- Amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants;
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback;
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements.

Achmea did not apply these changes early.

E. AMENDMENTS RELATED TO ACCOUNTING POLICIES, PRIOR PERIOD CORRECTIONS AND CHANGES IN PRESENTATION

From 1 January 2023, IFRS 9 Financial Instruments and IFRS 17 Insurance Contracts have been applied. The initial application of these standards will have a significant impact on Achmea's consolidated financial statements, because the valuation, presentation and determination of results for both insurance contracts and financial instruments will be substantially different. Further information is included in explanatory note 34 Notes on transition to IFRS 9/17.

F. CHANGES IN ACCOUNTING ESTIMATES

The preparation of these financial statements involves the use of estimates and assumptions that may differ from the actual outcome. Due to the transition to IFRS 9 and IFRS 17, the assumptions and estimates in the application of Achmea B.V.'s accounting policies and the key sources of estimation uncertainty for the preparation of the 2023 financial statements are no longer the same as for Achmea B.V.'s 2022 consolidated financial statements. The comparative figures in the 2023 financial statements have been restated to reflect the new IFRS 9 and IFRS 17 accounting standards. The key sources of estimation uncertainty are included in the explanatory notes to the provisions.

G. CONSOLIDATION

Basis for consolidation

All of Achmea's subsidiaries, associates and joint ventures are included in the Achmea B.V. consolidated financial statements based on the assumptions indicated below

Subsidiaries

Subsidiaries are entities over which Achmea has control. Achmea has control over an entity when Achmea is subject to or entitled to variable revenue by virtue of its involvement with the entity and can influence this revenue through its control over the entity. The assessment of control is based on the economic reality of the relationship between Achmea and the entity and takes into account existing and potential practically exercisable voting rights ('substantive rights'). In doing so, Achmea must have the practical ability to exercise its right. Third-party interests in these entities are presented as Minority interest under Total equity.

The outcome of the assessment of whether there is control (or power to control) depends on the purpose and setup of the entity, what the relevant activities are (which determine the entity's result), how decisions are made and whether Achmea is able to direct the relevant activities. For the purposes of this assessment, Achmea defines the most relevant activity as the ability to determine the entity's strategic policy. The result of the analysis also depends on whether Achmea is exposed to variable returns by virtue of its involvement with the entity and whether Achmea can use its power over the entity to influence returns. If an entity carries out activities for the public benefit and not only for the benefit of Achmea and/or its customers (e.g. foundations in the healthcare sector), it is assumed that Achmea cannot use power over the entity to influence revenues. Other assumptions may lead to a different outcome of the assessment of control.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Investment funds managed by Achmea, in which Achmea has an interest, are consolidated in the consolidated financial statements if Achmea has control. When assessing whether control exists, all interests that Achmea has in the investment fund will be taken into account, regardless of whether the financial risk relating to the investments is borne by Achmea or the policyholders. The exception to this is when the fund meets the definition of a 'silo' (i.e. there are segregated assets, liabilities and/or capital within the relevant entity) or where, under strict conditions and circumstances, a direct link can be assumed between the policyholder and the fund. During consolidation of an investment fund, a liability will be recognised to the extent that Achmea is legally required to redeem third-party participations. The liability is included under Financial Liabilities in the consolidated financial statements. Where this is not the case, the remaining third-party participations are included as Minority Interests. Assets allocated to third-party participations are included as Investments.

Joint ventures

Entities over which Achmea and other entities have joint control based on contractual arrangements are considered joint ventures. Achmea recognises joint ventures based on the equity method.

Associates

Entities over which Achmea exercises significant influence are accounted for using the equity method. Generally, significant influence is deemed to exist when the participation in the ordinary share capital or voting rights (including potential voting rights) is between 20% and 50%.

Intercompany transactions

Intra-group transactions have been eliminated in the consolidated financial statements. Gains and losses on transactions with associates and joint ventures have been eliminated in proportion to the size of Achmea's interest in the associate or joint venture.

Business combinations of entities under common management

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

H. ACCOUNTING FRAMEWORK

This section sets out the general accounting policies. Upon initial recognition, all assets and liabilities are measured at fair value applicable at that time. The specific accounting policies applicable to a certain line item in the consolidated financial statements are included in the note to the relevant item.

Consolidated statement of cash flows

The consolidated statement of cash flows has been prepared according to the indirect method with a breakdown into cash flows from operating, investing and financing activities. Cash and cash equivalents comprise cash and bank balances, and call deposits. Bank overdrafts that are repayable on demand and form an integral part of Achmea's cash management processes are recognised as a component of Cash and cash equivalents. In total cash flow from operating activities, Result before tax is adjusted for those items in the statement of profit and loss, and changes in operating assets and liabilities, which do not result in actual cash flows during the year. Due to the nature of Achmea's activities, cash flows related to Investment properties, Investments and Liabilities related to insurance contracts are presented as part of Total cash flow from operating activities.

Hyperinflatie voor belangen in dochtermaatschappijen en geassocieerde deelnemingen

Achmea applies hyperinflation reporting if the three-year cumulative inflation rate in a country exceeds 100% (based on the purchasing power index CPI) and the country's economic conditions warrant it. Achmea accounts for its interests in the relevant country adjusted for inflation expressed in the purchasing power index on the balance sheet date. In the consolidated financial statements, comparative figures are not adjusted at the balance sheet date because Turkish operations are converted into the currency of a non-hyperinflationary economy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

The main impacts for reporting are:
- Upon initial adoption, the cumulative effects of restating non-monetary provisions to the purchasing power index at the balance sheet date are recognised as part of other comprehensive income and added to the Foreign Currency Differences Reserve.
- In the subsequent measurement, non-monetary provisions are recalculated according to the purchasing power index on the balance sheet date. The purchasing power effect is recognised as part of other comprehensive income and added to the Foreign Currency Differences Reserve.
- The statement of profit and loss is expressed in purchasing power units at the balance sheet date.
- The loss of purchasing power on monetary positions during the reporting period (net monetary result) is recognised in the statement of profit and loss under Other expenses.

Foreign currency differences

The consolidated financial statements are presented in euros, which is Achmea's functional and presentation currency. Items included in the financial statements of Achmea's subsidiaries are valued using the currency of the primary economic environment in which the subsidiary operates (the functional currency).

Upon consolidation, the assets and liabilities of foreign subsidiaries with a functional currency other than the euro are converted into euros at the exchange rate at the end of the financial year.

The revenues and expenses of these subsidiaries are converted at the weighted average exchange rate during the financial year. Conversion differences arising from the application of year-end exchange rates to the opening balance of net assets and goodwill of subsidiaries that do not report in euros, as well as gains and losses in the year under review, are recognised in Total equity as Net other comprehensive income.

The net asset value of associates and joint ventures with a functional currency other than the euro are converted into euros at the exchange rate at the end of the financial year. The results and expenses of these associates and joint ventures are converted at the weighted average exchange rate during the financial year. Conversion differences arising from the application of exchange rates at the balance sheet date to the net asset value at the beginning of the financial year (including goodwill) of associates and joint ventures as well as profits and losses in the year under review are immediately recognised in Total equity under Net other comprehensive income.

Foreign currency differences resulting from the settlement of such transactions and from the conversion at balance sheet exchange rates of monetary assets and liabilities denominated in currencies other than the functional currency are recognised in the statement of profit and loss. Exceptions are foreign currency differences recognised in Total equity as part of qualifying cash flow hedges or qualifying net investments in a foreign entity. Please refer to the accounting policies in the applicable disclosures for more details regarding the accounting of foreign currency differences for specific assets and liabilities.

If subsidiaries and associates have a functional currency of a hyperinflationary economy, their revenues and expenses will be converted into euros at the exchange rate at the end of the financial year.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and reported on the balance sheet at the net amount when Achmea:
- Has a current legally enforceable right to offset the recognised amounts; and
- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Impairment

For assets other than financial assets, an impairment exists when its carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. At each reporting date, Achmea assesses whether there is an indication that an asset could be impaired and whether it is necessary to recognise an impairment loss. More information is provided in the accounting policies of the relevant asset categories.

For financial assets not measured at fair value through profit or loss, Achmea recognises expected credit losses (Expected Credit Loss, ECL) according to a "three-stage" model (see note 5 Investments for more details).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

I. OPERATIONAL RESULT

For Achmea, the Operational Result is an important indicator for assessing its performance. Operational result is equal to the result before tax adjusted for reorganisation expenses, transaction results (mergers & acquisitions) and application of an expected return method for the net financial result from (re)insurance activities.

Here, Achmea bases itself on the expected returns at year-end of the most recently closed financial year taking into account expected portfolio developments. For fixed income securities the current market interest rates at that moment are used, while for equities and similar investments the then current market interest rate is increased by a long-term risk premium as used in the internal market risk model under Solvency II. For the expected accretion of insurance liabilities, the IFRS 17 curve at year-end of the most recently closed financial year is also used (See note 6 "Assets and liabilities related to insurance contracts and share of reinsurers in insurance liabilities - assumptions and estimates and accounting policies"). This methodology applies to the Dutch insurance business, the Greek insurance business and to the investment portfolio of the Holding Company. For the other components, no adjustments are made to the operating result for the net financial result from (re)insurance activities.

The deviations from the expected returns are reported as non-operating results. The sum of the operational and non-operational result represents the IFRS result before tax.

The definition has been updated with the ‘expected return’ methodology to better reflect the new IFRS 9/17 regime. Fluctuations in financial markets can lead to greater volatility in the result under IFRS 9/17. To maintain focus on and control of the underlying development of financial results, the definition has been changed. With this adjustment in 2023 and in the comparative 2022 figures, the operational result accurately reflects Achmea’s underlying financial performance (see also chapter 3 Segment reporting).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

2. CAPITAL AND RISK MANAGEMENT

Effective capital and risk management is essential for Achmea's continuity and long-term relationship with our clients and other stakeholders. Capital management ensures that Achmea and all its supervised entities have sufficient capital to secure the interests of all stakeholders. Risk management involves identifying and assessing risks, determining and implementing risk control measures, monitoring of risks and accounting for these activities through reports. The starting point is making well-informed decisions about the risks to be accepted in realising the business objectives This involves the objectives of Achmea as a group as well as the objectives of the individual entities.

Capital and risk management complement each other and require an integrated approach. For instance, the risk profile is quantified using a partial internal model, approved by the external College of Supervisors[1], which is used to calculate the required capital (Total Group Solvency Capital Requirement). In terms of risk, Achmea has defined its risk appetite and statements about the capital are an important part of this. Each year, the risk and solvency position are assessed in conjunction with each other in the Own Risk & Solvency Assessment (ORSA).

This section discusses capital and risk management at Achmea in more detail, using the following components: A. Key Risk Themes in 2023, B. Capital position, C. Risk profile, D Risk Management System, E. Insurance risk, F. Market risk, G. Counterparty risk, H. Liquidity risk, I. Operational risk, J. Compliance risk and K. Capital management.

A. KEY RISK THEMES IN 2023

The Strategic Risk Assessment is a comprehensive assessment of key risk themes carried out by the Executive Board and management boards of the business units annually. The risks in question can have a major impact if they occur without effective control measures. Achmea closely monitors these risk themes as part of the periodic monitoring of the risk profile and the annual Own Risk and Solvency Assessment (ORSA).

The risk management activities are structurally tested internally for approach and effectiveness. Additionally, these activities are monitored by De Nederlandsche Bank (DNB), the Autoriteit Financiële Markten (AFM) and the Nederlandse Zorgautoriteit under the Current Monitoring Methodology and also local supervisors for Achmea's foreign entities. Risks are made transparent and risk control measures are effective enough to reduce residual risks to an acceptable level.

The key risk themes for Achmea are described on the next page.

[1] The external college of supervisors comprises the cooperating supervisors of the countries in which Achmea applies a partial internal model.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

STRATEGIC RISK

Topic	Description	Control Measures
Sustainability	Sustainability risks are related to all ESG (Environmental, Social and Governance) elements and affect Achmea as an insurer, Achmea as an investor and financier and to Achmea's own business operations. These risks can have a negative impact on the cost of claims and investment income, among other things. In addition, there may be strategic and reputational impact when Achmea fails to act quickly enough in the energy transition and when it is unable to meet its (externally communicated) sustainability targets either partially or fully.	Achmea communicated its climate objectives externally at the end of 2022 and updated them at the end of 2023, including among others objectives related to the insurance portfolio. The activities aimed at achieving all sustainability targets within Achmea have been brought together in one central programme, 'Achmea Sustainable Together', ensuring completeness and consistency in the measures to be taken, both at group level and within the business units. In Achmea's regular business activities, attention is being paid to risk control measures regarding sustainability throughout the Group. This includes for example within our insurance business adjusting the product and service range, tightening premiums and conditions and also reinsurance. Within the investment activities a Socially Responsible Investment (SRI) policy (including an exclusion and engagement policy) has been applied for quite some time now. Steps have been taken to identify all sustainability risks in connection with each other and those of the largest customers and subsequently incorporate control of these risks into our business. As part of the annual ORSA, qualitative and quantitative analyses on climate-related risks (including stress and scenario testing and long-term climate scenarios) were carried out for both the Group and individual insurance entities.
Future earnings model	The decreasing size of the service book within the pension and life business has a negative impact on future free cash flows and balance sheet ratios. Achmea runs the risk of not renewing its processes and products/services in a timely manner, thus insufficiently compensating for this development. The future revenue model is also influenced by new developments in the market, including the introduction of new distribution, product and/or service models. In addition, there are general developments such as demographics, laws and regulations (such as the pension agreement) and changing social views, but also macro-economic trends with potential impact on the earnings model. Further consolidation is visible in both the Dutch and European markets, which may affect Achmea's competitive position. During the past few years, Achmea has, periodically, explored, options for Achmea Pensioen- en Levensverzekeringen N.V.'s portfolios, particularly for the service book portfolio. Various internal and external options are currently being considered. In the meantime, the existing operations will be maintained.	Innovation of products/services and optimization of processes are important parts of the strategy: there are several group-wide initiatives in the areas of technology, customer service and service, on proposition development and innovations. Focus and implementation power is strengthened by the DIM (Distribution, Innovation and Brand) department, which was set up in 2022. The objective is to increase synergy and efficiency, and to structurally increase Achmea's operating result. Within the group strategy, growth is pursued in particular within retirement services, non-life and international activities.
Geopolitical developments and inflation	Geopolitical trends and inflation can lead to lower returns on investments, higher claims, higher personnel expenses, decreasing sales, increasing lapse of insurance policies and mortgages and also payment arrears, with consequently a negative impact on the profitability and solvency margins of the insurance entities. Inflation in 2023 is down from 2022 but for several years has been at higher levels than we have seen in recent decades. Within Achmea, inflation is primarily reflected in higher wage costs and a higher cost of claims, deriving from both wage inflation and price inflation. A specific item of attention is Achmea's activities in Turkey, where inflation is currently extremely high.	Achmea is monitoring developments closely. The consequences of inflation are managed by such means as expense measures, premium adjustments and product management. We support our customers wherever possible in preventing and solving payment difficulties, also in collaboration with the other parties involved. The investment portfolio contains natural hedges because of the correlation with interest rates, equities, real estate and commodities. For the Dutch entities, Achmea makes no use of inflation-linked investment instruments due to the substantial basis risk (only partial correlation between the hedged inflation and inflation in our liabilities). However, inflation-linked investment instruments are used for Achmea's activities in Turkey.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Topic	Description	Control Measures
Distribution partners	Achmea uses various distribution partners for the sale of its products, with Intermediaries and Rabobank being the key strategic distribution partners. There is a risk of Achmea losing market share as a result of a reduced partnership. Therefore, Achmea sees this collaboration as an important and integral part of its business model.	Mutual expectations are permanently aligned to successfully work together as parts of the common value chain. The development of products and services that match the desired sales of the distribution partners is actively pursued using modern channels with digital and personal interaction.
Increasing legislative and regulatory requirements and political developments	Achmea has to deal with many laws and regulations. There is a risk that Achmea's business operations, earnings model and more specifically the solvency requirements will be affected by political developments and increasing requirements from laws and regulations, stricter interpretation by supervisors and / or by organizing solidarity in society differently. This risk affects all Achmea product lines. In addition, Achmea is exposed to reputational and financial risks when it fails to comply with laws and regulations in a timely manner.	Since increasing legislative and regulatory requirements are closely monitored, necessary measures can be initiated in time. Among other things, in 2023 attention was paid to the implementation of current and forthcoming legislation and regulations on sustainability (including external reporting), the Future of Pensions Act (Wtp) and the Digital Operational Resilience Act (DORA).
Tight labour market	Tightness on the labour market can now be considered to be structural in nature. It has a direct and an indirect impact. The direct impact is the risk of Achmea being unable to attract and retain the talent required for innovation and business continuity. This could disrupt services and lead to Achmea incurring extra expenses. Use of external capacity can only partially absorb the impact. The indirect impact relates to the risk to services provided by other parties in the supply chain, such as a shortage of medical personnel or employees at contractors or repair workshops.	Initiatives have been started within Achmea on various themes in response to these developments, including employability, employer brand, leadership and Strategic Workforce Management. Core elements of Strategic Workforce Management include stimulating internal employee mobility and focussing on upskilling and reskilling. Through further investments in the area of our building block 'Expertise in data & digital', the efficiency of business processes will be further improved, among other things with the aim of reducing the required deployment of both own personnel and indirect personnel in the chain.
Volatility and relative size health portfolio	The risk that the relative size of the health portfolio within Achmea increases as a result of the decreasing service book within the pension and life business and organic care of the health portfolio. This has a negative impact on Achmea's balance sheet and financial ratios. In addition, there is a risk of earnings volatility at the health business, which could cause financial ratios to fluctuate significantly at Achmea Group level. For 2024, specific uncertainties include high inflation and changes to the risk equalisation system.	The control measures mentioned under the risk theme Future Income Model are also relevant here. Also, these risks are managed through the regular process of premium setting, healthcare cost estimation and procurement, product management and services.
Artificial intelligence	The developments in the field of artificial intelligence are comprehensive and manifesting themselves at a rapid pace. Achmea uses artificial intelligence in various business processes, including underwriting and claims handling. Risks in these business processes include decisions that are either incorrect or insufficiently transparent or explainable as well as incorrect handling of ethical issues. This can lead to a negative impact on Achmea's results (e.g. fines or claims) as well as damage to its reputation. There is also a risk that competitors will deploy artificial intelligence faster and more efficiently in their operations than Achmea, resulting in a loss of market share. A point of attention for Achmea is the timely identification of relevant developments and tightening of its systems and processes where necessary.	The risks of artificial intelligence are actively managed on the basis of IT, Privacy, PARP and model management policies. Specific measures include guaranteeing human supervision of decisions taken with the aid of artificial intelligence and also establishing control measures on the underlying systems and models. In addition, an ethical framework has been established to test the use of applications. Active efforts are also being made to increase the level of knowledge about artificial intelligence and to monitor developments in this field.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

MARKET RISK

Topic	Description	Control Measures
Financial markets	As a financial services provider, Achmea is significantly exposed to the financial markets, mainly because of its investment portfolio. Due to political and geopolitical instability, global economic developments and decisions by financial authorities, volatility can arise in the financial markets with consequences for the valuation of our investments and liabilities. After a sharp increase in 2022, market interest rates fell slightly in 2023, but are still at a higher level compared to previous years. Higher market interest rates are expected to have a positive effect on the long-term protection of policyholders. In the shorter term, interest costs on refinancing will increase, causing the Fixed Charge Coverage Ratio to deteriorate, with possible consequences for the rating. A period with (long-term) low interest rates remains possible.	This risk is controlled by the risk management measures as described in section F Market Risk.

INSURANCE RISK

Topic	Description	Control Measures
Longevity risk	Given the long-term nature of pension and life insurance contracts, Achmea is exposed to longevity risk. Life expectancy has been rising for a number of decades, for example as a result of breakthroughs in medical science and changing lifestyle habits. This is also visible in the life expectancy tables published by the Dutch Society of Actuaries and has an impact on the future pay-out pattern of the pension and life insurance activities. Due to the decreasing size of the service book within the pension and life business, this risk will gradually decrease over time.	Longevity risk is managed through active product of the pension and life insurance portfolios, in order to optimise the risk profile.
Natural Catastrophe	In the non-life portfolio, catastrophes caused by (extreme) weather events can have a major impact. Due to climate change, the frequency, timing and intensity of these may change. Global climate trends (combined with inflation) are hardening reinsurance markets with consequences for reinsurance premiums, own retention and reinsurance conditions. As a result, required capital is growing and earnings volatility may increase.	Control measures include model development, reinsurance and contingency plans. Regarding the non-life portfolio, these risks are taken into account in product development, pricing and conditions. The hardening reinsurance market is leading to higher premiums for many products. Achmea works together with the companies that develop catastrophe models, as well as with universities and the Royal Netherlands Meteorological Institute (KNMI). This ensures that climate change is closely monitored, and its impact evaluated.
Portfolio risk non-life and income	The risk that volatility in underwriting results manifests itself in the Property & Casualty portfolio due to higher than currently expected (injury) claims and/or deviations in estimated disability and rehabilitation probabilities.	Risks in the non-life portfolio are managed by methods such as promoting prevention measures and optimising underwriting guidelines and reinsurance. Specifically for personal injury claims, a claims monitoring system has been set up and prediction models are being further developed. For the income portfolio, explicit attention is paid to reintegration and developments in laws, regulations and case law. Part of the income portfolio is reinsured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

OPERATIONAL RISK

Topic	Description	Control Measures
Cyber crime	Cybercrime is an important social issue, one that also continues to grow in importance for Achmea. 'Cybercrime' refers to the risk of material damage arising from, for example, loss of data or unauthorised data processing, prolonged disruption of business operations, and hardware disruptions as a result of inadequate security measures. There is also the risk of damage to Achmea's reputation as a result of social media incidents and/or loss or theft of privacy-sensitive data.	Through a specific cyber security maturity model, the level of security is assessed, also involving scenario analyses. For control purposes, an Integral Security Approach has been implemented, with a strong focus on awareness and outsourcing. Achmea's reputation is continuously monitored. In addition, Achmea has taken out its own cyber risk insurance. The main security and privacy risks are managed by means of information security and privacy management measures in the internal control framework.
Customer Due Diligence processes	The risk of inadequate internal control of Customer Due Diligence processes and non-compliance with applicable laws and regulations due to capacity and complexity issues. As a result, financial and reputational damage may occur.	Short-cycle monitoring is used to monitor compliance with laws and regulations. Further details are included in section J Compliance Risk.
Duty of care	The risk of Achmea having to pay out or reimburse more due to changing social developments and/or possible liability claims.	Achmea monitors customer feedback, social and legal trends with regard to the duty of care. Key areas of focus in terms of the duty of care are product development, periodic reviews, distribution forms, and advertising and website communications. With regard to the unit-linked insurance claim, Achmea Pensioen- en Levensverzekeringen N.V. has reached an agreement with the interest groups on a final arrangement for customers with unit-linked insurance who are affiliated with one of these parties. The agreement will be final if 90% of the affiliated customers agree.

B. CAPITAL POSITION

Capital management at Achmea is based on the legal framework, economic principles and assumptions of rating agencies. The legal framework is determined by IFRS as adopted by the European Union, Solvency II and the Capital Requirements Directive V ('Capital Requirements Directive V', CRD V) and Capital Requirements Regulation ('Capital Requirements Regulation', CRR). CRD/CRR is a framework specifically aimed at the banking business and the management of investment funds. For investment firms (within Achmea: Achmea Investment Management B.V. and Syntrus Achmea Real Estate & Finance B.V.), the 'Investment Firm Directive' (IFD) and the 'Investment Firm Regulation' (IFR) are applicable. For Centraal Beheer PPI N.V., the IORP II directive applies. For Eureko Sigorta A.S., the prudential regime in Turkey applies.

As laid down in Achmea's risk appetite and capital policy, Achmea aims for a target ratio of at least 165% at group level under Solvency II.

As of 31 December 2023 Achmea and all supervised entities that are part of it are adequately capitalized according to regulatory requirements.

SOLVENCY POSITION

Achmea is a group that carries out activities subject to supervision for insurers, banks and investment institutions. Below is an explanation of the solvency of the entire Achmea Group and then broken down for the entities covered by supervision for insurers, banks and investment institutions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

SOLVENCY RATIO – ACHMEA GROUP

(€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Eligible own funds Solvency II	8,848	9,195
Solvency Capital Requirement	4,840	4,410
Surplus	**4,008**	**4,785**
Ratio (%)	183%	209%

Direct equity movements had a negative effect on the ratio. This is mainly a result of the repurchase of preferred shares and to the redemption of the € 500 million 6% Tier 2 loan and the issuance of a € 300 6.75% Tier 2 bond. The movement in the Eligible Own Funds, Solvency Capital Requirement and Ratio will be explained in each subsection below.

SOLVENCY-INSURANCE SECTOR AND HOLDING

(€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Eligible Own funds	7,885	8,224
Solvency Capital Requirement	4,031	3,750
Surplus	**3,854**	**4,474**
Solvency Capital Ratio Insurance sector and Holding (%)	196%	219%

Achmea uses an approved partial internal model to calculate the required capital. For a further explanation of the partial internal model and an overview of the composition of the required capital, please refer to section C Risk profile. The Solvency position of the consolidated insurance entities is determined based on the Solvency II legislation.

The decrease in the ratio, compared to 2022, has several drivers. The first driver relates to the effect of methodology and model changes. An adjustment of the run-out patterns for the Risk Margin in the pension and life business leads to an increase in the Risk Margin. In addition, the changed calculation of the DTA/DTL (as prescribed by DNB) has a negative effect on the ratio. A significant model change regarding the calculation of interest rate risk within Market Risk, the qualification of individual AOV (disability insurance) products as long-term products and other model changes lead to a positive effect on the ratio. Taken these together, the methodology and model changes lead to a negative effect on the ratio. Finally, Achmea has reached an agreement with interest groups on a final settlement for investment insurance customers. The impact of the agreement on Achmea's capital position is limited.

The hardening of the reinsurance market leads to higher retention resulting in an increase in claims risk. This is partly offset by decreased external incoming reinsurance business due to the strategic reorientation of Achmea Reinsurance Company N.V. (hereafter Achmea Reinsurance). A negative development in the expected result for the healthcare portfolio in recent years (2023 and earlier) and a positive expected result for 2024 results in a limited decrease in available capital under Solvency II. In the non-life portfolio, a lower than expected result on the retail portfolio is partly offset by stronger than expected results on the corporate and income portfolio and this leads to a limited decrease in available equity.

The decline of the yield curve, positive returns and spread movements have on balance a positive effect on equity despite the run-off of mortgage spreads with a negative impact. The annual calibration of the economic scenarios used in the internal model for determining Market Risk led to an increase in required capital and thus a decrease in the ratio. Adjustments of the equity portfolio leads to a positive impact on the ratio via a lower capital requirement.

The solvency information from Achmea Bank N.V. is based on the requirements as set out in the Capital Requirements Directive and Capital Requirements Regulation (CRR).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

SOLVENCY –ACHMEA BANK

(€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Eligible Own Funds	773	776
Total Risk Weighted Assets	4,580	4,264
Total Capital Ratio	**16.9%**	**18.2%**
SREP-requirement (including 2.5% Combined Buffer Requirement)	14.6%	13.4%
Counter Cyclical Buffer (CCyb)	1.0%	0%
Total Solvency capital Requirement	715	571

The Total Capital Ratio decreases by 1.3% in 2023 which is mainly explained by a decrease of € 2 million in available capital due to dividend payments from the statutory reserve and an increase in risk-weighted assets (€ 321 million) due to the growth of the mortgage portfolio by € 2 billion. In addition, the capital requirement for the banking sector was increased resulting in higher required capital.

The solvency information from the other supervised entities Achmea Investment Management. B.V., Syntrus Achmea Real Estate & Finance B.V., Centraal Beheer PPI N.V. and Union Zdravotna Poistovna A.S (UZP) is included based on the requirements as set out in the Capital Requirements Directive (CRD), Capital Requirements Regulation (CRR), Investment Firm Directive, Investment Firm regulation and local legislation (for UZP).

SOLVENCY - OTHER

(€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Toegestaan Solvency II eigen vermogen	208	198
Vereist kapitaal	94	89
Surplus	**114**	**109**
Ratio (%)	221%	222%

The increase in equity is mainly a due to a positive result of Syntrus Achmea Real Estate & Finance B.V. in 2023. The increase in required capital is due to positive market developments at Achmea Investment Management N.V. resulting in a higher capital requirement in Market Risk.

The table below shows the structure of the authorized Solvency II capital. This capital serves as a buffer to absorb risks and financial losses. See section K Capital Management for the capital instruments used.

ELIGIBLE OWN FUNDS SOLVENCY II

(€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Tier 1	6,951	7,320
Tier 2	1,292	1,467
Tier 3	605	408
Total eligible own funds Solvency II	**8,848**	**9,195**

Tier 1 capital decreased, mainly due to the repurchase of preferred shares. The decrease in Tier 2 capital is a result of the repayment of the € 500 million 6% Tier 2 loan and the issuance of a € 300 million 6,75% Tier 2 bond.

As of 31 December 2023 Tiering limits have been reached, as a result of which € 255 million of Tier 3 capital cannot be included in the authorized Solvency II equity.

The authorized equity under the Solvency II regulations is not equal to the equity under IFRS. There are valuation differences and the impact of potential restrictions. The reconciliation between authorized Solvency II equity and IFRS equity is shown in the following table.

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RECONCILIATION BETWEEN IFRS EQUITY AND SOLVENCY II ELIGIBLE OWN FUNDS

(€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
IFRS equity for the purpose of reconciliation to Solvency II eligible own funds	**8,980**	**8,597**
Solvency II valuation and classification differences	986	1,778
Not qualifying equity and foreseeable dividends	-1,118	-1,180
Eligible own funds Solvency II	**8,848**	**9,195**

Solvency II revaluations and reclassifications of € 986 million (2022: € 1,778 million) include items not recognized under Solvency II (including goodwill and capitalized acquisition costs), items valued differently under Solvency II (Solvency II uses economic value for all items) as well as reclassification of subordinated debt and treasury shares.

The main reclassifications are: Goodwill and capitalized acquisition costs (these are not recognized within Solvency II), other intangible assets, subordinated debt and treasury shares.

The main revaluations are: Financial fixed assets (for Solvency II valued at market value) and technical provisions (in addition to a different calculation methodology, for Solvency II there is an additional risk margin that is part of the technical provision).

Furthermore, under Solvency II and IFRS17, the economic value of technical provisions is calculated differently. Among other things, the use of a different discount rate, the use of an illiquidity premium under IFRS17, a different Cost of Capital percentage for determining the Risk Adjustment under IFRS 17 than for calculating the Risk Margin under Solvency II lead to the valuation differences between Solvency II and IFRS.

Non-qualifying equity and expected dividends include changes in the availability of Achmea's equity in accordance with Solvency II regulations.

Key assumptions and estimates for the Solvency II calculation

For the Solvency II calculation Achmea uses assumptions and estimates with regard to future results or other developments, including the probability, the realisation moment or the number of future transactions or events. An inherent aspect of estimates is that the realisations may differ materially. Part of these assumptions and estimates correspond to the assumptions and estimates mentioned under Note 1 Accounting Policies – section J and the accounting policies as included for the specific items in the Consolidated Financial Statements. For the Solvency II calculation (including Solvency II eligible own funds), several additional estimates are applied additionally or instead.

The most important additional estimates are:

- Application of internal models, approved by the external College of Supervisors, based on underlying assumptions and policy excess assessments.
- Cash flows used for the assessment of the market value of the Liabilities related to insurance contracts and Amounts ceded to reinsurers. Estimates under cash flows include the expected premium income in the year ahead and claims related to this premium income for future years; these expectations are partly based on assumptions regarding mortality, claims, lapse, work disability, costs and interest.
- Economic value of contingent liabilities.
- Projected fiscal results (after shock) and analysis of future results.
- The absorbing capacity of deferred taxes.

The amount of the reported Solvency II figures is still subject to the assessment by De Nederlandsche Bank as part of the supervisory review process and as a result interpretations may change.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

C. RISK PROFILE

In describing Achmea's risk profile and risk management in its capacity as a financial service provider, a risk classification is used which is largely based on the Solvency II risk classification for calculating the solvency capital requirement (insurance risk, market risk, counterparty default risk and operational risk). Compliance risk is distinguished separately in the risk classification. Under Solvency II it is not viewed as a separate risk but included under operational risk. In addition, the listed types of risk include liquidity risk and strategic risk.

Compliance risk	Achmea runs the risk of non-compliance with laws and regulations or failing to implement forthcoming laws and regulations on time, which may result in legal or administrative sanctions that in turn may result in substantial financial loss or reputational damage. Compliance risk is a distinct risk that is differentiated from other kinds of risk as a function in law and practice; as a risk class, it requires its own specific controls. Key compliance risks include the risks related to duty of care, product development, customer due diligence, privacy (compliance with the General Data Protection Regulation), integrity and fraud control, and competition.
Liquidity risk	Achmea is exposed to liquidity risk at group level and within the entities mainly with regard to the insurance and banking activities.
Market risk	As a financial service provider, Achmea is exposed to market risk due to its investment portfolio, mortgage loans, minimum guarantees and profit sharing (life insurance and disability insurance), retail banking products (mortgage loans, deposits, savings accounts and current accounts) and other investments. Market risk encompasses interest rate risk, equity risk, property risk, spread risk, currency risk and market concentration risk.
Operational risk	Achmea runs the risk of loss arising from inadequate or failed internal processes, personnel or systems, or from external events. Key operational risks include risks with respect to information security and cybercrime, risks in outsourcing processes to external parties, risks related to the digitisation of our services, and liability risk for products and services.
Counterparty risk	Achmea is exposed to counterparty risk, as a consequence of unexpected bankruptcy or deterioration of the creditworthiness of counterparties and debtors, in its investments, treasury, reinsurance activities, and in its dealings with healthcare providers, intermediaries and policyholders.
Insurance risk	Achmea is exposed to life, non-life and health risks through its product range as an insurance company, as a consequence of differences between expectations and actual developments or improbable events.
Strategic risk	Strategic risk relates to Achmea's vision of its future business model. Achmea runs the risk that internal and external events may make it difficult , or even impossible, for Achmea to achieve its business objectives and strategic goals.

Achmea also recognises transversal risks. These are risks that manifest themselves through one or more of the risk types in the abovementioned risk classification. The main risks are solvency risk, reputational risk and sustainability risks.

Specifically for sustainability risk, Achmea has defined a separate risk classification comprising Environmental, Social and Governance risks.

Sustainability risk	Achmea is exposed to the risk of current or future negative effects of environmental (E), social (S) or governance (G) incidents or circumstances on Achmea, its counterparties, assets, investments, liabilities and operations.
Environmental risk (E)	Achmea is exposed to the risk of current or future negative effects of environmental factors on its assets, acceptance and activities (including those caused by climate change or loss of biodiversity).
Social risk (S)	Achmea is exposed to the risk of negative social implications in its direct or indirect treatment of different groups of stakeholders (society as a whole, communities and Achmea employees). This can derive from the loss of social capital or product liability or failing to realise Achmea's social sustainability ambitions.
Governance risk (G)	Achmea is exposed to the risk of negative governance effects as a result of the way in which Achmea and its value chain govern themselves through policy, processes and controls, e.g. by failing to monitor sustainability targets properly or not promoting a culture of sustainability.

In risk assessments both the overall risk classification and the specific risk classification for sustainability risk are used. In 2023 a structural ESG risk assessment has been implemented, supporting our sustainability-related activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Quantitative risk profile

The Solvency Capital Requirement provides a quantification of the risk profile. Solvency II forms the basis on which Achmea manages the risks arising from, among other things, financial instruments and insurance contracts. For calculating the capital required Achmea uses a partial internal model, which has been approved by the external College of Supervisors. An internal model provides Achmea with better insight into the risks, enabling improved risk management. The models are periodically evaluated and, where necessary, updated.

Scope partial internal model

The scope of the internal model at group level is:

- For non-life risk, the premium and reserve risk of the Greek and Dutch non-life risk activities. No internal model is used for the premium and reserve risk of reinsurance activities,
- For non-life risk, the natural catastrophe risk of the Greek and Dutch non-life activities (excluding incoming reinsurance from third-party contracts (non Achmea)).
- For health risk (health Not Similar to Life Techniques, NSLT), the premium and reserve risk of the Greek and Dutch non-life activities. This includes risks related to absenteeism and accidents in particular.
- The health risk (health Similar to Life Techniques, SLT) of the Dutch non-life activities. This includes but is not limited to disability risk.
- For market risk, the interest rate risk, equity risk, property risk and spread risk of the Dutch insurance entities (excluding the Dutch healthcare entities) and Achmea B.V. Inflation risk relating to the claims expenses of the non-life entities is included as part of interest rate risk within the internal model.

The other risks and risk types are calculated using the standard formula. For aggregation Achmea uses a mixture of aggregation techniques for the internal model permitted under Solvency II and parts of the standard formula. In 2023, no changes were made to the scope of the partial internal model.

Internal model Achmea Bank

In September 2023, DNB granted the Advanced Internal Rating-Based (AIRB) status to Achmea Bank N.V. The AIRB status enables Achmea Bank N.V. to use advanced internal models for the calculation of its credit risks. This leads to improved risk management and customer service. Further development of the internal model is still taking place and in the meantime the risk-weighted assets (RWA) will be determined according to the standardised approach or an RWA floor that is at least equal to the standardised approach.

Results partial internal model

The table below gives an overview of Achmea's risk profile based on the capital required results under Solvency II as calculated using the partial internal model.

SOLVENCY CAPITAL REQUIREMENT (€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Market risk	2,039	2,050
Counterparty risk	249	174
Life risk	1,329	1,258
Health risk	2,191	1,906
Non-Life risk	1,247	1,124
Diversification	-2,621	-2,394
Basic Solvency Capital Requirement	**4,434**	**4,118**
Loss absorbing capacity of Expected Profit (LAC EP)	-487	-444
Loss absorbing capacity of Deferred Tax (LAC DT)	-581	-550
Operational Risk	666	626
Solvency Capital Requirement (Consolidated)	**4,032**	**3,750**
SCR Other Financial Sectors & Other entities	808	660
Solvency Capital Requirement	**4,840**	**4,410**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

The Solvency Capital Requirement increased due to a combination of effects.

Market risk reduced by lower required capital as result of interest rate, spread and model changes and was further reduced by the effect of a decrease of the equity portfolio. These effects are partially offset by an increase in required capital due to the annual calibration of the economic scenarios used.

Counterparty risk increased due to outstanding claims related to the earthquakes in Turkey and due to the methodology change that now includes policyholders with arrears of less than 3 months. The risk has further increased due to a higher accounts receivable position at Dutch Healthcare due to an increase in the number of policyholders.

Decreased interest rates lead to a higher market value of liabilities. This value co-determines risk capital and creates higher life risk.

Non-life risk increased as result of increased business in fire and (motor) liability. The fire portfolio suffers from more fires with a higher claims burden for both businesses and private customers. Furthermore, adverse weather conditions in Europe has led to more claims in the travel and mobility portfolio. The increased traffic intensity is leading to more claims with a higher average cost of claims for both property and casualty losses. Furthermore, risk is increasing due to increased retention in natural catastrophes, partially offset by decreased incoming external reinsurance business due to the strategic reorientation of Achmea Reinsurance.

Health risk at Dutch Healthcare business increased due to an increase in the expected premium volume for 2024 due to cost inflation and an increase in the expected number of insured for 2024. The qualification of AOV products as long-term contracts as of Q2 2023 in accordance with DNB's Q&A further increases the required capital.

The increase in the impact Loss Absorbing Capacity Deferred Taxes (LAC DT) is caused by the increased capital requirements at the underlying insurance entities, especially at Achmea Schadeverzekeringen N.V. due to increased underwriting risks and at Achmea Pensioen- en Levensverzekeringen N.V. due to interest rate and spread developments.

D RISK MANAGEMENT SYSTEM

The Integrated Governance, Risk and Compliance system (IGRC) describes the design and implementation of Achmea's risk management and internal control system. The Governance, Risk and Compliance components can be seen as separate components but are only truly effective when developed and applied in conjunction. This section explains this system using the risk strategy, the Three Lines model and an explanation of the IGRC framework.

Achmea's mission, vision and strategy as laid down in the Purpose are translated into a mission and generic principles that are used to implement the risk strategy. Our mission is for Achmea to ensure efficient and integrated risk management and optimization of the risk profile for sustainable value creation. In addition, the following ten principles form the basis for the elaboration and design of the IGRC with respect to the governance, design and implementation of the control measures and Achmea's risk appetite.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

1	Achmea conducts its business in a socially responsible manner and endeavours to provide demonstrable sustainable added value. Moreover, Achmea responds adequately to social developments and thus maintains its relevance.
2	Achmea offers secure and transparent solutions to customers that consistently match customer interests, including fair pricing.
3	Risks are identified periodically and when material changes occur, they are assessed, and control measures are implemented as necessary.
4	Achmea aims to achieve the optimal balance between risk and return and long-term and short-term objectives. Decision-making is clear, explicit and in line with strategic objectives and risk appetite. The remuneration policy discourages taking undesirable and irresponsible risks aimed at short-term results and personal gain.
5	Achmea is aware of all current laws and regulations. Laws and regulations are not only assessed along the legal bar of laws and regulations, but also along that of (supra-legal) social views and justified customer expectations.
6	Achmea stimulates an open corporate culture in which risks can be discussed and employees feel responsible for sharing knowledge about risks and in which (pro)active risk management is valued. Exemplary behaviour, open discussion of dilemmas, feasibility of policy and transparency are inextricably linked to the open corporate culture.
7	All Achmea employees should work towards an organisation with integrity in which people work, with integrity, for customers with integrity and collaboration partners with integrity. Achmea takes a broad view of integrity. Achmea is aware that compromising its integrity can also pose a risk to the integrity and good name of the financial sector as a whole.
8	Achmea's governance structure is based on the Three Lines model. This structure ensures the independence of the key functions compliance, risk management and actuarial (second line) and internal audit (third line) from the line organisation.
9	Risk management is supported by a single unified risk management and internal control system that ensures consistency and coherence and contributes to: (1) consistent information for decision-making and monitoring, (2) a unified approach, and (3) structuring and prioritizing the activities of the business and key functions.
10	The risk management and internal control system makes optimal use of standardisation and digitisation of IT systems and processes of the business and key functions.

Three Lines model

As mentioned in the Risk Strategy, Achmea's governance structure is based on the Three Lines model, the main features of which are set out in the table below.

FIRST LINE	SECOND LINE	THIRD LINE
IMPLEMENTATION AND MANAGEMENT	SUPPORT, MONITORING AND CONTROL	ASSESSMENT AND REVIEW
- Executive Board and risk committees at Group level - Business management and decentralised risk committees within the business units	- The Compliance, Risk Management and Actuarial departments operate at both group and business unit level. Some entities have their own compliance and risk management department due to different legal requirements, specific knowledge or efficiency.	- The Internal Audit department operates at both group and business unit level.

The Three Lines model is in place for all supervised entities. In this model, Achmea's line organisation is primarily responsible for the IGRC. The Executive Board and business management ensure adequate design and execution of the IGRC. The presence of a Chief Risk Officer on the Executive Board helps ensure a permanent focus on this in our business operations. The Executive Board is accountable to the Supervisory Board and the general meeting of shareholders of Achmea B.V. The first line is supported by the second line, which is responsible for maintaining the IGRC, supporting the execution and monitoring and reporting on implementation by the first line. The third line complements these activities by periodically reviewing and reporting the effectiveness of the entire IGRC.

Risk committees

Achmea has risk committees both at group level and within the business units.

- The Audit & Risk Committee (A&RC) assists the Supervisory Board of Achmea B.V. in its supervision of, amongst other things, financial, administrative organisational and compliance matters, as well as on the risk profile and the effectiveness of the risk management system.
- The Group Risk Committee (GRC) provides a framework and advises the Executive Board. It is a platform for Achmea policymakers and consists of members of the Executive Board, the management of some business units and the compliance, risk management and actuarial key function holders at group level for the management, monitoring and advising with regard to the IGRC, including the internal control and key risks.
- The GRC has instituted as subcommittees the Model Approval Committee (MAC), the Privacy Board and the Information Security Board. The MAC has a delegated responsibility for approving risk models.
- The Asset Liability Committee (ALCO) is an executive and advisory committee of the Executive Board. It is a platform for Achmea policymakers and consists of members of the Executive Board, the management of some business units and staff departments for monitoring and optimising the capital- and liquidity position and investments of Achmea within the policy frameworks set by the GRC and the Executive Board.
- Aligned with the GRC at group level, there are Risk Committees within the business units that discuss and manage risks, possibly complemented by specific committees such as the Product Approval and Review Process (PARP) Committees, the Underwriting Committee at Achmea Reinsurance Company N.V. and the Asset & Liability Committee and the Credit Committee at Achmea Bank N.V.

Key functions

In line with legal end regulatory requirements, the compliance function, the risk management function, the actuarial function and the internal audit function have been set up at group level and for the insurance entities under supervision.

- At group level the compliance, risk management and actuarial functions are fulfilled within the Compliance, Risk Management and Actuarial departments. These functions report to the Chief Risk Officer of the Executive Board.
- The internal audit function at group level is fulfilled by the central Internal Audit department. This function reports to the chair of the Executive Board.
- The compliance, risk management, actuarial and internal audit functions have been set up for the entities under supervision. In the case of the Dutch insurance entities, Zilveren Kruis Zorgkantoor N.V. and Centraal Beheer PPI N.V., these functions are performed by the relevant central staff departments at group level as mentioned above.
- For Achmea Bank N.V., the required compliance and risk management function is fulfilled within Achmea Bank N.V., and the internal audit function is carried out by the Internal Audit department at group level.
- For the Otso's Achmea Investment Management B.V. and Syntrus Achmea Retail Estate & Finance B.V. the required compliance and risk management functions are executed by the central staff departments mentioned above.
- The international insurance entities have their own compliance, risk management, actuarial and internal audit functions, with a functional line to the central staff departments at group level.

The functions of the entities as mentioned above report to the statutory boards of the entities.

The second and third line group function holders can escalate to the chairs of the Executive Board, the A&RC and the Supervisory Board, respectively. The second line function holders of the entities follow the escalation path via the group key function holder, or via the chair of the statutory board of the entity in question and then the supervisory board of the entity. In addition, key function holders may contact external supervisors and report to them if they deem it necessary.

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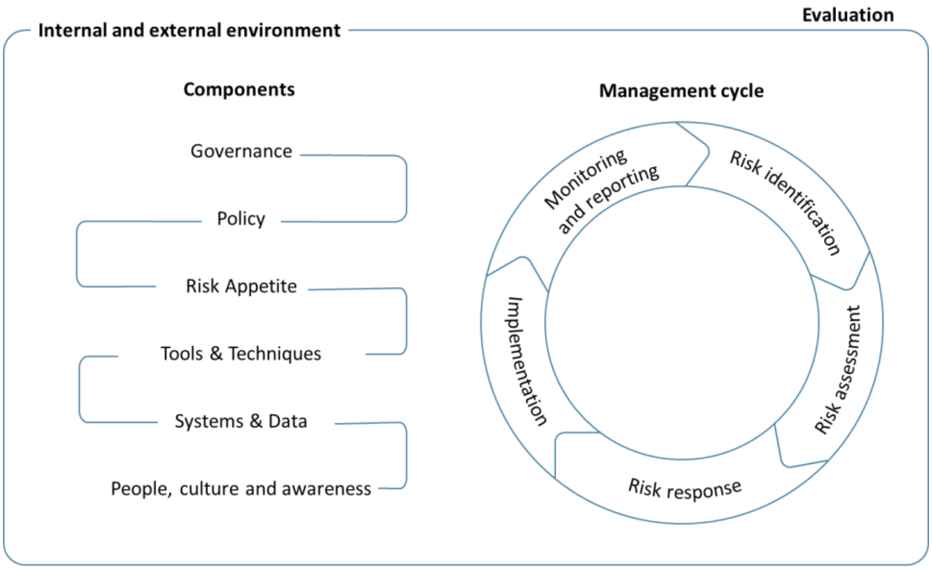
Framework
As mentioned in the risk strategy, risk management is supported by a single, uniform risk management and internal control system. This has been elaborated in the IGRC framework ensures consistency and coherence, contributing to consistent information for decision-making and monitoring, a unified approach and the structuring and prioritisation of the activities of the business and key functions compliance, risk management, actuarial and internal audit.

The framework as shown in the figure below shows the coherence of the components of the IGRC. Monitoring the internal and external environment is essential for the maintenance and implementation of the IGRC. When going through the management cycle and, in particular, identifying potential risks, knowledge of developments in the internal and external environment is essential. Specific points of attention in the external environment are emerging risks and existing and forthcoming laws and regulations. In the IGRC management cycle, taking developments in the internal and external environment into account, risks are identified, assessed, controlled, monitored and reported through a continuous process. Using the building blocks of the IGRC, the management cycle is applied at different levels (strategic, tactical and operational) and within specific contexts (organisational units, chains, processes, programmes/projects and risk types). For the evaluation of the IGRC, the following evaluations are periodically carried out on (parts of) the IGRC.



The governance is explained in the description of the Three Lines model. Group-wide IGRC policies ensure that the management cycle is carried out consistently throughout the organization. Below is a more detailed explanation of the building blocks, instruments and techniques and the risk appetite of the IGRC.

Tools and techniques
The tools and techniques of the IGRC provide concrete and practical support to implement the management cycle:

1	Risk Self Assessments (RSAs); which identify risks, assess them and determine a risk response.
2	Models and methodologies; specifically for the calculation of the required capital under Solvency II, the 'Solvency Capital Requirement' (SCR), Achmea uses a partial internal model approved by the external College of Supervisors, where some risks are quantified with an internal model and the other risks with the standard Solvency II formula.
3	Scenarios and stress tests, which assess and quantify risks.
4	The Achmea Control Framework (CFW); establishing internal control based on Key Risks/Key Controls.
5	Issue management, which monitors improvements regarding internal control.
6	Incident management, which monitors operational losses due to incidents, and supports a continuous improvement cycle through learning from mistakes.
7	Risk Letters; accepting the potential adverse effects of residual risk for a limited period of time. This does not mean that the qualification of the associated risk will be influenced in a positive manner. The required attention for risk response remains applicable.
8	Periodic reports; providing insight into the risk profile and management of risks.
9	ORSA/ICLAAP; The ORSA/ICLAAP identifies the extent to which current and future capital and liquidity positions are considered adequate under normal and extreme conditions.
10	Recovery and resolution; preparing a plan for recovery and/or resolution in circumstances of financial stress.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Periodically, mostly annually, risk analyses are performed regarding strategy, annual plans and at operational level for identifying and assessing risks and determining a risk response. Through regular monitoring and reporting, a reassessment of the risk profile takes place based on key developments in the internal and external environment, with the frequency depending on the type of risk. For the evaluation of the IGRC, periodic reviews take place on (parts of) the IGRC.

A generic control framework is available and integrated into the policy documents of the IGRC and the themes of the Achmea Control Framework (CFW). These complement each other; in general, the controls as laid down in the policy documents of the IGRC are further elaborated in the themes of the CFW. In strategic and tactical risk management, control is further established by defining and monitoring specific control measures.

The development, management and change of models with respect to, amongst other things, risk measurement, financial and business management calculations are subject to strict model governance which ensures that the models are managed properly. The risk profile of models is assessed, and it is compulsory for models with a high/very high gross risk to be periodically validated by the independent model validation function of the Risk Management department and approved by the MAC. Part of the management is that model changes are implemented and approved in accordance with a controlled change procedure.

In addition to approval in the MAC the partial internal model for Solvency II is approved by the Executive Board, the boards of the entities that use the model, the A&RC and the Supervisory Board. After the internal governance is completed newly developed models are submitted for approval to the external College of Supervisors. Following approval by the MAC, major model changes are submitted to the external College of Supervisors for approval and are only used for determining Achmea’s capital position after approval. A similar procedure applies to Achmea Bank's internal model, but the model is not yet used to determine the capital position. Through regular monitoring and reporting, the risk profile is reassessed based on the most important developments in the internal and external environment, with the frequency depending on the type of risk. A similar procedure applies to Achmea Bank's internal model, although the model is not yet used to determine the capital position.

Based on the implemented management cycle, the group-wide ORSA report is prepared annually for the insurance activities. The ORSA determines the extent to which the current and future capital and liquidity positions are considered adequate under normal and extreme conditions. The ORSA also assesses the adequacy of the partial internal model. If an event (internal or external) occurs with a potential significant impact on solvency (prudential and/or economic) and/or liquidity, i.e. where the limits of the risk appetite are (or are in danger of) being breached, Achmea performs an extra ORSA. For the asset management entities and Achmea Bank N.V., ICLAAP (Internal Capital Liquidity Adequacy Assessment Process) reports are prepared, for Centraal Beheer PPI N.V. an Own Risk Assessment (ERB).

These reports provide insight into and an assessment of the development of the risk profile, solvency and liquidity during the plan period, both under normal conditions (best estimate) and under stress. These reports are provided annually to local regulators whereby Achmea's ORSA report is also shared with the external College of Supervisors.

Under the 'Recovery and Resolution of Insurers' Act, Achmea has a recovery plan - the Preparatory Crisis Plan (VCP) - for both the Group and the Dutch insurance entities, with the aim of being prepared for crisis situations. Additionally, specific recovery plans are drafted for the asset management entities, Achmea Bank N.V. and Centraal Beheer PPI N.V.

Internal Control Statements are issued annually by management at the conclusion of the year in which the management of a business unit indicates whether it believes that the reports during the year fairly reflect the effective operation of the business unit's internal control system.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Risk Appetite

The risk appetite describes the maximum level of risk that Achmea is willing to accept in realising its strategy and business and other objectives. Risk appetite consists of a qualitative statement, Key Risk Indicators (KRI) and associated limits and is determined from the strategy, risk strategy and annual objectives.

Below is an overview of the qualitative statements and their translation into KRIs. The sections that follow further explain the management of the risk appetite components.

Financial	Principles	KRI's
Returns, result and volatility of result	– A result is achieved that is sufficient to meet its interest obligations and the company realises a fixed charge coverage ratio that supports the desired credit rating level.	– Fixed Charge Coverage Ratio
Capital	– The Capital Position matches the required capital according to the risk profile. The capital position covers at least the capital requirements of the Regulator plus a capital buffer above the solvency capital requirement. – We aim for a capital level that supports the credit desired rating. – We also take the economic solvency into account in managing our business. – We strive for adequate financing ratios to support the credit rating and to maintain capital flexibility.	– Solvency ratio Solvency II – Capital surplus S&P – Capital surplus Fitch – Economic solvency Achmea Pensioen- en Levensverzekeringen N.V. – Debt ratio – Double leverage ratio
Liquidity	– We maintain sufficient liquidity to be able to meet our current and future liquidity obligations.	– Available liquidity in a going concern situation – Liquidity capacity after a stress situation
Financial Risk Policy	– An adequate market risk policy is pursued whereby an annual market risk budget is approved that matches to the return and risk profile taking into account the capital and liquidity position. – An adequate counterparty policy (including collateral management) is pursued to prevent undesired concentrations in the counterparty risk. – We assess Natural Catastrophe risks for all insurance portfolios on basis of Catastrophe models. We pursue an adequate reinsurance policy to mitigate gross Catastrophe risk and reduce it to an acceptable net risk. The top of the cover is set at a return period of 200 years or longer. The own retention will be determined by the maximum accepted deviation of the expected annual result as a result of one or more catastrophic events.	– Market risk budget variance – Impact interest rate shock Solvency II – Impact of interest rate on economic solvency of Achmea Pensioen en Levensverzekeringen N.V. – Counterparty limit breaches – Amount of Solvency Capital Requirement for insurance risks – Deviation from expected annual result due to catastrophic events

Non-Financial	Principles	KRI's
Product quality and services	– We are customer-centred and, based on our cooperative background, use cooperation and result focus to be of service to the customer.	– Customer Centricity Score
Operational risk / internal control	– An adequate Operational Risk Policy is pursued to avoid significant financial losses, incidents, issues and reputation damage due to operational, compliance, cyber and integrity risks. Achmea ensures that detected incidents and issues will be solved within the specified time period and that actions are taken to avoid repetition of failure.	– Internal Control Framework – Reputation score – Financial loss due to operational risks – Very urgent issues – Disruption of business-critical chains
Compliance	– We act in accordance with laws and regulations. Detected violations by Achmea, employees and third parties will be corrected in accordance with the incident management policy. – We implement new or amended laws and regulations on time. Detected violations by Achmea, employees and third parties will be corrected in accordance with the incident management policy. – Achmea employees, third parties, suppliers and customers act with integrity. Employees and external temporary employees act in accordance with the General Code of Conduct of Achmea. Achmea uses a zero-tolerance policy in case of penalising integrity violations. Risk Management aims at avoiding significant integrity violations regarding money laundering, terrorist financing, avoiding sanctions, corruption, conflict of interest, tax fraud, internal fraud, external fraud, market manipulation, cybercrime and socially unacceptable behaviour. Detected integrity violations will be corrected according to the Incident Policy.	– Violations of laws and regulations – Implementation of laws and regulations – Integrity violations
Sustainability	– Achmea pursues an ESG policy aimed at preventing and mitigating material negative (financial and non-financial) impact on the environmental (E), social (S) and governance (G) aspects related to our activities for its stakeholders.	– MSCI ESG rating – Sustainalytics ESG rating

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

E. INSURANCE RISK

From the perspective of an insurer, insurance risk is the risk of loss, or of adverse change in the value of Liabilities related to insurance contracts, resulting from inadequate pricing and provisioning assumptions, and it encompasses life risk, non-life risk and health risk. For Achmea Pensioen- en Levensverzekeringen N.V., inflation risk related to operational expenses is also included in insurance risk.

The Insurance Risk Policy describes how insurance risks are managed.

Management of insurance risks is explained in more detail below and in the sections on life, non-life and health risks.

Product development and product review
For the introduction of new insurance products and the periodical review of existing insurance products, Achmea has formulated a Product Approval and Review Policy. Achmea wants to offer clients secure and transparent solutions that meet their needs, with a fair pricing policy. Products may not be marketed or distributed without careful consideration of the risks and thorough assessment of other relevant aspects, including the duty of care towards clients. Existing products are also reviewed periodically and dynamically – with a view to societal developments – and any necessary changes are made to ensure that these are still in the interests of customers. In addition, the periodical review focuses on the strategic interest of a product, the business case of a portfolio, premium structure and profitability of the product.

Reinsurance
Achmea has a Reinsurance Policy in which all responsibilities with regard to the reinsurance process are laid down. Achmea Reinsurance is the reinsurance company of the group and fulfils three roles: advisor, risk carrier and purchaser. Achmea Reinsurance provides reinsurance cover for the Achmea entities. To this end, it enters into reinsurance contracts with the Achmea entities, including the non-Dutch entities. Through retrocession, the contracts are partially placed with external reinsurers. In addition to the group reinsurance programme, Achmea Reinsurance has entered into a reinsurance contract of a financial nature and has concluded a number of incoming reinsurance contracts for both life and non-life with strategic partners and other external insurers and reinsurers. Due to a strategic reorientation, no new incoming non-life reinsurance contracts with third parties will be concluded with effect from 1 July 2023.

The Underwriting Committee of Achmea Reinsurance decides on the retention within the framework of the reinsurance policy, Achmea’s risk appetite and the risk appetite of Achmea Reinsurance. After approval by the Executive Board the reinsurance programme is placed in the market.

In the past few years, the reinsurance programmes of the foreign entities have been further integrated. With a limited number of exceptions, the reinsurance programmes of the foreign entities are now integrated into Achmea Group’s reinsurance programme. This is achieving cost benefits and improving the assurance of the reinsurance programme.

The reinsurance programme mainly consists of catastrophe excess-of-loss contracts and per risk excess-of-loss contracts. Individual risks that exceed the treaty limit of the ’per risk’ programmes are covered on a facultative basis. The reinsurance programme consists of several layers to place the programme as efficiently as possible. The catastrophe programme is the main reinsurance programme. The renewal of this programme takes place on 1 July each year and Achmea includes the intention to extend the programme in its modelling. In order to protect the result for IFRS purposes, Achmea Reinsurance purchased aggregate excess-of-loss cover for 2023. Furthermore, Achmea Reinsurance uses insurance-linked securities (catastrophe bonds) on a limited scale.

Reserving
In the reserving process the Liabilities related to insurance contracts are determined for the current insurance contracts. The methodology used for this may vary according to the regime: IFRS accounting, including IFRS Liability Adequacy Testing, Solvency II, local accounting standards and local solvency (for the entities not covered by the Solvency II regime). The Liabilities related to insurance contracts are determined at least four times a year. At least twice a year they are also tested for adequacy, and more often if deemed necessary or required by law.

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Life risk

Life risk is the risk of loss, or of adverse change in the value of Liabilities related to insurance contracts, resulting from:
- Changes in the level, trend or volatility of the underlying risk drivers (mortality and disability rates, expenses, lapse rates).
- The uncertainty of pricing and provisioning assumptions related to extreme or irregular events.

It encompasses Mortality, Longevity, Lapse, Disability/morbidity, Expense and Catastrophe Risk.

Risk profile
In the Netherlands and in Slovakia (Union), Achmea offers Term Life Insurance (ORV) and Individual Pension Annuities/Annuities (DIP/DIL). Achmea is no longer selling group pension contracts in the Netherlands and Slovakia; the Centraal Beheer General Pension Fund (CB APF) and Centraal Beheer PPI N.V. (CB PPI) offer alternatives for this in the Netherlands. In Greece, Achmea (Interamerican) offers unit-linked life insurance and term life insurance.

The Life portfolio consists of life insurance with and without profit participation and unit-linked insurance:
- Life insurances with profit participation comprises traditional life products with profit participations, such as saving products and group contracts.
- Traditional life insurance without profit participation mainly includes term insurance policies, both stand-alone and linked to mortgages.
- For unit-linked insurance, the policyholders bear the investment risks.

The Solvency Capital Requirement under Solvency II provides a quantification of life risk.

LIFE RISK (€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Mortality	141	125
Longevity	991	931
Disability	2	3
Lapse	193	203
Expense	501	464
Catastrophe	128	127
Diversification	-627	-595
Solvency Capital Requirement Life risk	**1,329**	**1,258**

The Solvency Capital Requirement Life risk increased from € 1,258 million to € 1,329 million in 2023. Here, the required capital was calculated using the Solvency II standard formula. Life underwriting risk increased as interest rate sensitive shocks increased due to an increase in best estimate following lower market interest rates. This effect is amplified by changing assumptions for (investment) costs and dampened by mortality and lapse assumptions. Achmea applied the AG forecast table 2022. The increase in required capital is partly offset by the shrinking life portfolio in the Netherlands.

The table below provides insight into various sensitivities relative to the solvency position at year-end.

SOLVENCY II SENSITIVITIES: LIFE (€ MILLION)

	31 DECEMBER 2023			31 DECEMBER 2022		
	IMPACT SII EQUITY	IMPACT REQUIRED CAPITAL	IMPACT RATIO (%)	IMPACT SII EQUITY	IMPACT REQUIRED CAPITAL	IMPACT RATIO (%)
Longevity (-5%)	-203	12	-5%	-189	10	-5%
Expenses (+10%)	-225	23	-6%	-200	21	-6%
Lapse event	6	-10	0	-14	-11	0%

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In the longevity scenario, mortality rates are reduced by 5% compared to the base case. The impact of this scenario is stable compared to year-end 2022. In the cost +10% scenario, cost assumptions as part of the best estimates are increased by 10% compared to the base case assumptions. The impact of this scenario is stable compared to year-end 2022. In the lapse scenario, the lapse assumptions used in determining the best estimates are increased by 50% (or reduced by 50% if this has an unfavorable impact on required capital) compared to the base case. This scenario has only a limited impact on life risk.

Risk response
The PARP policy ensures adequate pricing, accurately reflecting the risks. To manage the risks at individual level, tariffs are differentiated by risk category (for example smoking / non-smoking) and medical examinations are required for life insurance acceptance.

At portfolio level, reinsurance is used, and an 'en bloc' clause can be used which allows the premium to be increased in certain cases. With this instrument, the consequences of adverse mortality and increased expenses can be limited.

The decision to no longer offer group pension contracts has resulted in a decrease in new longevity risk. The expense risk is managed by keeping the expenses in line with the decrease of the portfolio.

Reinsurance is used in life risk to limit mortality and catastrophe risk. This concerns Achmea Pensioen- en Levensverzekeringen N.V. and Interamerican Hellenic Insurance Company S.A. Achmea Reinsurance has a quota-share agreement with Achmea Pensioen- en Levensverzekeringen N.V., part of which is placed externally. In addition, Achmea Pensioen- en Levensverzekeringen N.V. has externally reinsured a portfolio of immediate annuities. The risk of a pandemic is not reinsured by Achmea, but a periodic review is undertaken to assess whether reinsurance would be beneficial. In the past period Achmea has found that the excess mortality or mortality deficit due to Covid-19 among the insured population has remained limited.

The mortality tables used in the Netherlands take into account a future increase in life expectancy and are adjusted to the specific character and composition of Achmea's insurance portfolio. In the other countries in which Achmea sells life insurance, the standard mortality tables are adjusted in various ways, such as on the basis of age.

Non-life Risk

Non-life risk is the risk of loss or of adverse change in the value of Liabilities related to insurance contracts resulting from differences between current developments and non-economic assumptions or the occurrence of improbable events. It encompasses premium and reserve risk, lapse risk and catastrophe risk.

Risk profile
The Netherlands is the main market in which Achmea is exposed to non-life risk via a comprehensive range of non-life insurance products. Greece (Interamerican), Turkey (Eureko Sigorta), Slovakia (Union), Australia, Canada and Germany are the non-life markets outside the Netherlands in which Achmea operates. In Australia, products for the agricultural sector are offered. In Canada via the digital channel, online car and home insurance is offered via a joint venture (Onlia), with 50% of the insurance risk placed outside Achmea. In Germany, Achmea provides property & casualty insurance through its online Inshared brand. In addition, Achmea offers insurance in the greenhouse horticulture sector internationally (Hagelunie).

The risks covered by Achmea are within the typical lines of business, such as motor (hull and liability), transport, fire and natural events, general liability and legal assistance.

The Solvency Capital Requirement under Solvency II provides a quantification of non-life risk.

NON-LIFE RISK (€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Laps	170	179
Premium and reserve	897	802
Catastrophe	654	592
Diversification	-474	-449
Solvency Capital Requirement Non-life risk	**1,247**	**1,124**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

The required capital for claims risk increased from € 1,124 million to € 1,247 million in 2023. The required capital was calculated using an approved partial internal model. The premium risk increases due to increased business for fire and (motor) liability. Reserve risk is increasing due to higher provisions, as the fire portfolio has suffered from more fires with a higher cost of claims from both corporate and private customers. Furthermore, adverse weather conditions in Europe (including storms Polly, Carian, Gerrit and severe weather in Italy and Slovenia) led to more claims in the travel and mobility portfolio. The increased traffic intensity is also leading to more claims with, on average, a higher loss burden in both property and personal injury claims. In Turkey, risk increased due to claims as a result of the earthquakes and higher premium risk due to inflation. Catastrophe risk increases due to increased own retention in natural catastrophes, partially offset by decreased external reinsurance business due to the strategic realignment of Achmea Reinsurance.

Within non-life, catastrophe risk is a large risk. The property and motor hull insurance lines in particular are exposed to catastrophe risk. The predominant risk sources are windstorm and hail risk in the Netherlands and earthquake risk in our entities in Greece and Turkey. Motor hull insurance in the Netherlands includes the risk of flooding. Non-life concentration risk refers to major claims resulting from the above-mentioned natural disasters and major fires. Due to climate change, the probability of weather-related calamities is expected to increase. Achmea has close ties with the leading organisations developing the catastrophe models, as well as universities and the Royal Netherlands Meteorological Institute (KNMI). In this way Achmea is keeping close track of climate change and evaluating its impact.

SOLVENCY II SENSITIVITIES: NON-LIFE

(€ MILLION

	31 DECEMBER 2023			31 DECEMBER 2022		
	IMPACT SII EQUITY	IMPACT REQUIRED CAPITAL	IMPACT RATIO (%)	IMPACT SII EQUITY	IMPACT REQUIRED CAPITAL	IMPACT RATIO (%)
Combined ratio (+5%)	-96	76	-5%	-79	55	-5%

In the combined ratio +5% scenario, the combined ratio of the non-life business increased by 5% compared to the base case. The impact of this scenario remained stable in 2023.

<u>Risk response</u>
Underwriting guidelines ensure effective risk assessment , underwriting (under conditions when applicable) and premium setting. The underwriting guidelines prescribe that Achmea does not underwrite heavy industrial risks such as airports or power plants. An exception is made in Turkey, where these types of risks are underwritten from a strategic viewpoint. These risks are either 100% reinsured or underwritten with a very minimal retention.

Reinsurance is used to manage exposure to weather-related events, natural disasters, events involving multiple victims, major fires and large claims in general and motor third-party liability. Part of the retention is maintained at Achmea Reinsurance. The reinsurance programme includes the following covers:

- Non-life catastrophe programme: this is an excess-of-loss programme for the cumulated (mainly natural) catastrophe claims of the fire/technical insurance portfolios (residential, commercial, agricultural) greenhouse (horticulture) and motor vehicles (hull – casco). These portfolios are pooled in an external reinsurance programme with different retentions. For the Dutch entities Achmea Reinsurance provides two individual excess-of-loss programmes also with different retentions.
- For the non-Dutch entities Achmea Reinsurance carries the risk in reinsurance programmes for earthquake risk in Greece, Turkey and Slovakia and flood risk in Turkey and Slovakia. Eureko Sigorta A.S. has reinsured its largest catastrophe risk- earthquake risk - partly through the Turkish Catastrophe Insurance Pool and also through regular reinsurance treaties.
- Property: this is an excess-of-loss programme for the individual claims (mainly fire claims) of the relevant portfolios. Achmea Reinsurance maintains a retention on this programme.
- General Liability and Motor Third-Party Liability: this is a reinsurance programme for general and motor liability risks and large personal injury claims.

Developments relating to climate change are being monitored. Climate change is taken into account in setting premiums and in reinsurance. Premiums and the structure and cover of reinsurance programmes can be modified each year. Over the long term we encourage policyholders, in cooperation with municipalities, to take preventive measures. These include the use of hardened glass for greenhouses, the green roofs offered by Interpolis and also Blue Label, which offers municipalities insight into streets or neighbourhoods with a high risk of flooding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

In lines of business such as general liability and motor liability (mainly bodily injury) with long settlements, the claims reserve is exposed to the risk of inflation. This risk is managed as part of market risk, with periodic evaluation of whether this risk should be covered.

Risk profile

The risks of sickness and accident insurance are comparable to non-life risk and are managed accordingly, see the section on non-life risk. Below is more detailed information on medical expenses and disability insurance.

The Netherlands is the main market where Achmea offers health insurance. The health insurance system consists of two components: a basic health insurance system and a supplementary health insurance.

- For basic health insurance, Achmea offers a direct settlement policy (‘natura’), a selective direct settlement policy (‘selectief’) and a combined policy (‘combinatie’). A combined policy is a combination of a natura policy and a direct settlement policy. As of 2024 the refund policy has been replaced by a combined policy. Basic health insurance covers standard health care, is mandatory for anyone who lives or works in the Netherlands and must be purchased from a health insurer based in the Netherlands. All health insurers have a duty to accept all applicants. Premiums for basic health insurance are partly influenced by political decision-making. The Dutch government determines the extent of coverage under the basic health insurance package and the conditions applicable to the basic health insurance package, including admission.
- In addition, the government determines the payments health insurers receive from the Healthcare Insurance Equalisation Fund. The compensation paid through the Healthcare Insurance Equalisation Fund is financed by employers, employees and the Dutch government Payments from this fund depend on the risk profile and the portfolio of the health insurance company. Payments related to the statutory emergency scheme (section 33 of the Dutch Health Insurance Act (‘Zorgverzekeringswet’)) are also funded by the Health Insurance Equalisation Fund.
- Supplementary health insurance offers policyholders the opportunity to expand the cover provided by basic health insurance. This insurance is optional and comparable in nature and method to non-life insurance. The cover provided by this insurance is not tied to government stipulations and there is no obligation of acceptance and no risk equalisation system. Achmea offers a variety of dedicated supplementary health insurance packages. Premiums for supplementary health insurance are tailored to the cover offered.

In the process of estimating Liabilities related to insurance contracts and income from the Health Insurance Equalisation Fund, uncertainties are present due to the timeliness of the processing of invoices from healthcare providers and the restrictions of ex-ante budgeting. The estimated contribution from the Covid-19 catastrophe scheme , which is paid from the Health Insurance Equalisation Fund, is regularly updated based on current Covid-19 developments. Because the uncertainties regarding Covid-19-related healthcare costs are limited, the estimate of the catastrophe scheme contribution is also subject to limited uncertainties. Provisional contributions from the Health Insurance Equalisation Fund were received in the first half of 2022. The final payment is expected in 2025.

For a health insurer, the uncertainties regarding basic health-care mainly arise from political decisions and growing competition. This is because a large part of the activities of the Achmea health insurers are governed by the Dutch Health Insurance Act [‘Zorgverzekeringswet’]. The core of this act is a private-law health insurance system of regulated competition. The market and government are closely intertwined, and efficiency and innovation are partly realised through market forces between parties such as healthcare providers and health insurers. There is also uncertainty related to settlements with Zorginstituut Nederland (ZIN) per occurrence year. The uncertainty of the health-related expenses arises from the dependence on the timely receipt and processing of invoices by health insurers, the settlement of claims and the availability of reliable historical data. In 2023 specific uncertainty have arisen for health insurers with regard to Registration issues of medical support tools and GP rates.

- In 2023, the Dutch Healthcare Authority (NZa) and Zorginstituut Nederland (ZIN) launched an investigation into the resource data. This resulted in the NZa withholding an opinion on the 2022 resource data at the national level at the end of 2023. Whether the problems identified by the NZa regarding the accounting for the 2022 resource data actually have an impact on the HKG classification and thus on the 2023 risk equalization contribution in the 2023 financial statements is not known at this time.
- On 21 December 2023 the Trade and Industry Appeals Tribunal (CBb) ruled in a case brought by several (national) GP associations against the Dutch Healthcare Authority.The CBb ruled that the NZa had failed to make it plausible that the 2023 and 2024 rates are cost-covering due to the lack of a recalibration.As a result of the CBb's ruling, the NZa must still perform a recalibration of the 2023 and 2024 rates in 2024. The outcome and possible consequences of this recalibration are uncertain.

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Disability products cover the risk of a reduction in income resulting from inability to work due to disability (long-term, Health SLT). In the Netherlands, Achmea offers disability products based on local regulatory requirements. In the Dutch regulations there is a distinction between employers (including self-employed) and employees. For the self-employed there is no public insurance, and a full private insurance is available. For employees there is public insurance, under the Work and Income (Capacity for Work) Act (Wet werk en inkomen naar arbeidsvermogen, WIA) which consists of two types of covers: the Fully Disabled Persons Income Scheme (Inkomensvoorziening volledig en duurzaam arbeidsongeschikten, IVA) and the Return to Work (Partially Disabled) Regulations (Werkhervatting gedeeltelijk arbeidsgeschikten, WGA).

There are two types of private insurance: supplements to the public insurance and insurance/reinsurance of the WGA, since an employer can choose to bear the WGA risk itself and exit the public insurance. The principal uncertainties in the WGA insurance cover are the inflow and duration of the disability.

Disability insurance risks are changes in legislation, the level of absenteeism due to illness, the frequency and extent to which people are disabled, the rate of recovery from disability, the mortality and the level of interest and inflation rates. A point of attention is the Dutch government's previously stated intention to introduce mandatory disability insurance for the self-employed; the status and possible consequences are as yet not clear.

The capital requirement under Solvency II provides a quantification of Health risk.

HEALTH RISK

(€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Health risk SLT	450	181
Health risk NSLT	1,909	1,791
Health catastrophe	74	64
Diversification	-242	-130
Solvency Capital Requirement Health risk	**2,191**	**1,906**

The required capital of Health increased from € 1,906 million to € 2,191 million in 2023. Here, the required capital was calculated for the income insurance risks (health SLT) and for the absence and accident risks (health NSLT) in Greece and the Netherlands with an approved partial internal model. Other health risks were calculated using the standard Solvency II formula. The underwriting risk health NSLT increases mainly in the Dutch health business due to higher premium and reserve risk. Premium risk increases due to an increase in the expected premium volume for 2024 due to cost inflation and an increase in the expected number of policyholders for 2024. This effect is partially offset by a lower reserve risk due to a decrease in claim arrears at mental health institutions due to the introduction of a new payment system at mental health as of 1 January 2022. The underwriting risk healthcare SLT is increasing. This is mainly caused by the introduction of the long contract boundary at AOV, the lower interest rate and by the annual update of the bases. Catastrophe risk is increasing due to an increase in the number of insured persons and increase in lump sums. Increase in underlying risks increased the impact of diversification.

SOLVENCY II SENSITIVITIES: HEALTH

(€ MILLION)

	31 DECEMBER 2023			31 DECEMBER 2022		
	IMPACT SII EQUITY	IMPACT REQUIRED CAPITAL	IMPACT RATIO (%)	IMPACT SII EQUITY	IMPACT REQUIRED CAPITAL	IMPACT RATIO (%)
Combined ratio (+2,5%)	-392	5	-8%	-366	8	-9%

In the combined ratio +2.5% scenario, the combined ratio of the Dutch healthcare business increased by 2.5% compared to the base case. The impact of this scenario remained stable in 2023.

Risk response

Achmea has taken a number of measures to mitigate uncertainties with respect to health costs. The Liabilities related to insurance contracts for outstanding claims and receivables from Zorginstituut Nederland are based on best estimates of expected amounts and a provision is made for uncertainties. Claim estimates are generated periodically in order to gain insight into relevant developments and the adequacy of Liabilities related to insurance contracts. In addition to these measures, there is more information available on a national level about the macro claims, which is also used to assess the estimates. Furthermore, Achmea has reduced the upward potential of specialised medical care, mental healthcare and district nursing by agreeing on ceiling arrangements and fixed-sum contracts with healthcare providers. Achmea limits Counterparty Default Risk by periodic monitoring and stopping payments exceeding contractual arrangements.

Within disability, after the initial claims report a customer follows a reintegration programme that assesses whether interventions by external service providers may be valuable. This can be, among other things, a workplace adjustment or waiting list mediation. In the vast majority of the agreements with maturities longer than one year, the premium can be adjusted according to a clause in the policy conditions. The possibility of high claims per single risk for disability is mitigated by limiting the insured income and, in some cases, the use of reinsurance. A reinsurance contract has been agreed for the WGA/WIA product; Achmea Schadeverzekeringen N.V. has concluded a quota share agreement with Achmea Reinsurance for this purpose, fully retroceded to the reinsurance market. In addition to the quota share agreement, Achmea Reinsurance offers stop-loss cover, which is also fully underwritten by the reinsurance market. Finally, additional cover is also provided for high salaries by the WIA supplementary cover product. This reduces the financial consequences and volatility of the work-related disability risk in relation to this portfolio.

F MARKET RISK

Market risk is the risk of loss or adverse change in the financial situation resulting, directly or indirectly, from fluctuations in market prices of assets, liabilities and financial instruments. It encompasses interest rate risk, equity risk, property risk, spread risk, currency risk and market concentration risk. Inflation risk related to claims within the non-life entities is included in interest rate risk.

An increase in expenses as a result of higher inflation is included in cost risk and is calculated under insurance risk using the standard formula.

Risk profile
As a financial service provider, Achmea is exposed to market risk due to its investment portfolio, insurance products and retail banking products (mortgages, deposits, savings accounts and current accounts). For the composition of the investment portfolio please refer to Note 4 Investment property and Note 5 Investments.

Market risk is reported separately for the banking and the insurance activities. For the insurance activities, Achmea uses an internal model for the calculation of the market risk capital. The table below shows the market risk capital for the insurance activities. For the market risk of the banking activities, please refer to the section on interest rate risk later in this section.

MARKET RISK

(€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Interest rate	251	537
Equity	1,335	1,382
Property	478	489
Spread	718	834
Currency	142	128
Concentration	0	0
Diversification	-885	-1,320
Solvency Capital Requirement Market risk	**2,039**	**2,050**

DNB approved the use of the major model change for interest rate risk in 2023 for use, however, according to the DNB Achmea needs to further improve the interest rate model for shorter interest rates in 2024.

The required capital for market risk decreased from € 2,050 million to € 2,039 million in 2023. Here, the required capital was calculated with an approved partial internal model.The annual calibration of the economic scenarios used leads to an increase in the required capital. This effect is offset by a decrease in required capital due to interest rate, spread and model changes and was further reduced by the effect of adjustments in the equity portfolio. The decrease in market interest rates results in lower shocks and therefore a decrease in interest rate risk. Spread risk has decreased due to run-off mortgage spreads. In addition, a model change was implemented leading to a better representation of interest rate risk. The impact of diversification has decreased, mainly due to lower interest rate, equity, and spread risk.

The solvency position is sensitive to market fluctuations. The table below provides insight into those sensitivities relative to the year-end solvency position.

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SOLVENCY II SENSITIVITIES

(€ MILLION)

	31 DECEMBER 2023			31 DECEMBER 2022		
	IMPACT SII EQUITY	IMPACT REQUIRED CAPITAL	IMPACT RATIO (%)	IMPACT SII EQUITY	IMPACT REQUIRED CAPITAL	IMPACT RATIO (%)
Equity -20%	-631	-99	-10%	-673	-82	-12%
Interest -50 basis points	114	43	1%	158	60	1%
Interest +50 basis points	-85	-42	0%	-110	-31	-1%
Property -20%	-328	0	-7%	-356	-10	-8%
Spread -50 basis points	205	13	4%	125	29	1%
Spread +50 basis points	-178	-23	-3%	-60	-35	0%

In determining the sensitivities to interest rates (-/+ 50 basis points), the Ultimate Forward Rate (UFR) is kept the same and not shocked. In determining sensitivities to spread, the Volatility Adjustment is determined based on the changed spreads. The outcomes are related to a changed composition of the balance sheet and cash flows. Achmea applies some simplifications; for example, sensitivities are determined based on size, composition and sensitivity of the portfolios. In addition, the impact is determined on the sensitive assets, liabilities and capital requirement where the risk margin is not redetermined. Sensitivities were calculated using the approved partial internal market risk model. Consideration has been given to the existing hedging strategy as detailed below under risk controls. Sensitivities have been calculated on the balance sheet excluding exposures of banking entities.

The -20% sensitivity of shares is determined by a reduction of 20% in the market value of the shares. The impact of this scenario has decreased due to a decrease in the equity portfolio in 2023. The interest rate sensitivity -/+ 50% is determined by a shock of -/+ 50 basis points on all interest-sensitive investments and best estimate technical provisions. Due to the implementation of the interest rate risk model change in 2023, the sensitivity of the interest rate -/+ 50% scenarios has decreased slightly. Applying the real estate shock results in a decrease in real estate value. The impact of this sensitivity has decreased due to the decreased value of the real estate in 2023. The sensitivity spread -/+ 50 basis points is determined by a shock of -/+ 50 basis points on all spread-sensitive investments. The spread sensitivity of -/+ 50 basis points has increased in 2023 due to an increase in spread-sensitive investments as a result of a decrease in the equity portfolio.

Interest rate risk

Interest rate risk is the risk of loss resulting from the sensitivity of the values of assets and liabilities to changes in the term structure of interest rates (both nominal and real) or in the volatility of interest rates. Inflation risk related to claims within with non-life entities, expressed as the difference between nominal and real interest rates, is also included in interest rate risk. Inflation and interest rates are positively correlated; rising inflation often leads to higher interest rates.

Insurance activities
The solvency ratio is affected by the interest rate curve used in valuation. When valuing the Liabilities related to insurance contracts, the curve prescribed and published by EIOPA including UFR is used.

The Market Risk Policy describes how this interest rate risk is managed:

- Achmea manages the interest rate risk using different interest rate scenarios. For this assessment, interest rate shocks are applied to the replicating portfolios and the related actual investment portfolios. Achmea Group maintains a limit for the interest rate sensitivity of the solvency ratio at parallel interest rate shocks of 50 basis points. The interest rate sensitivity of the net position is assessed on a monthly basis for the insurance entities.
- The required capital for interest rate risk is determined using a yield curve extrapolated from 30 years instead of 20 years (as prescribed for the liabilities). This makes it possible to take a more economic hedge position in order to properly manage interest rate risks with a duration exceeding 20 years.
- For the purpose of ensuring that the solvency ratio remains stable over the longer term, the interest rate sensitivity limits of the solvency ratio of Achmea Group and Achmea Pensioen- en Levensverzekeringen N.V. are wider when the solvency ratio is at a higher level. Additionally, the longer-term effects of parallel interest rate movements, changes in the shape of the interest rate curve and sensitivities for interest rate volatility are monitored for Achmea Pensioen- en Levensverzekeringen N.V.
- Achmea's foreign subsidiaries apply a duration matching approach within bandwidths laid down in the local investment plans and monitored locally via committees.
- Achmea does not set specific limits for inflation risk within the Market Risk Policy; Inflation Risk is managed at overall Market Risk level. For specific forms of inflation however, such as operating expenses, healthcare procurement and claims, specific control measures are in place. (See also the explanation of the risk theme 'Geopolitical instability and inflation' in section A. Main Risk Themes in 2023).

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It is noted that the importance of interest rate management for IFRS earnings and equity has increased as a result of the introduction of IFRS 17.

Hedging of interest rate risk is done through a periodic interest rate management process that uses interest rate derivatives (swaps and swaptions). The value of the interest rate derivative position is € 1,425 million (2022: € 1,563 million).

Banking activities
The focus of Achmea Bank N.V.'s activities is on retail banking products (mortgages, deposits and savings). The majority of these products or services generate interest rate risk. This risk is managed through the Interest Rate Risk Policy, which mitigates the risk by using derivatives.

SENSITIVITIES BANKING ACTIVITIES

(€ MILLION)

	2023 ACHMEA BANK	2022 ACHMEA BANK
Duration Equity (in years)	-1,3	0,7
Stresstest -200 basis points	-153	-9
Stresstest +200 basis points	-39	-25
Income at Risk +100 basis points	16	25

The duration of Equity decreases from 0.7 years at 31 December 2022 to -1.3 years at 31 December 2023. A positive duration protects the Economic Value of Equity (EVE) from a decline in interest rates, but due to the inverted term structure, this has a negative impact on NII (Net Interest Income). Given the negative impact on NII and the sharp decline in long-term interest rates at the end of 2023, Achmea Bank N.V. decided to temporarily target a negative duration of equity starting in 2024.

The sensitivity analysis illustrates the impact of interest rate risk. The table shows the impact an immediate upward and downward interest rate shock of 200 basis points. Interest rate shocks impact not only the present value of expected cash flows but also customer behavior. Achmea Bank N.V. expects that in a scenario of an immediate downward interest rate shock, early mortgage repayments will increase significantly and that the impact of an upward interest rate shock on customer behavior is limited. In practice, from the IRRBB management process, Achmea Bank N.V. will adjust its interest rate risk position in response to changing customer behavior due to interest rate changes. This is not possible in a scenario with an immediate interest rate shock.

The impact of the stress test (-200 basis points) amounts to € 153 negative in 2023 (2022: € 9 million negative) and is caused by the strong decrease in long-term interest rates in 2023. This strong decrease had a positive impact on the market value of Achmea Bank N.V.'s mortgage portfolio resulting in a higher market value loss in an early redemption scenario. The outcome of this scenario is also negatively affected by the decrease in the maturity of Equity.

Equity risk

Equity risk is the risk of loss resulting from the sensitivity of the values of assets and liabilities to changes in the level of market prices of equities and alternative investments.

For the Dutch insurance entities, the purpose of investing in equities is to cover the average long-term risk premium. Equities offer a higher return potential than fixed-income securities and offer diversification potential. Equities are spread across several asset classes to capitalise on diversification benefits. Derivatives are not used to mitigate equity risk. Achmea does not apply specific limits for equity risk. Equity risk is managed at overall market risk level.

Achmea's non-Dutch subsidiaries each follow their own specific investment plans based on Group guidelines and local laws and regulations. As described in the general section on the Market Risk Policy, the general principle with regard to market risk is that this risk should be limited for foreign subsidiaries.

Property risk

Property risk is the risk of loss resulting from the sensitivity of the values of assets and liabilities to changes in the level of market prices of real estate. An overview of the property investment portfolio is given in Note 4 Investment property.

Property is part of the investment mix, taking into account expected return and correlation with other risks. Achmea does not apply specific limits for property risk. Property risk is managed at overall market risk level.

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Spread risk

Spread risk is the risk of loss resulting from the sensitivity to changes in the level of credit spreads in interest rates. The credit risk on government bonds and mortgages is also taken into account in calculating the Solvency Capital Requirement under Solvency II.

Achmea is exposed to spread risk in its fixed-income investments. For the composition of the fixed-income investments for the different rating classes please refer to Note 29 Credit quality financial assets. When drawing up the economic balance sheet, Achmea also applies the Volatility Adjustment to many of its insurance entities to value the Liabilities related to insurance contracts. Changes in the spreads lead to changes in the Volatility Adjustment and consequently in the value of the Liabilities related to insurance contracts.

Spread risk is managed and monitored as part of the Counterparty Risk Policy and the Market Risk Policy. Achmea mitigates the spread risk through an investment strategy that balances the exposure types (corporates, financials, covered bonds, government related bonds, mortgages and asset backed securities), the credit rating, the maturity profile and the regional allocation. Based on the approved internal model for market risk the composition of the investment portfolio is further optimised.

There is a slight spread risk between the savings deposit liabilities, for which the interest income is based on the interest paid by the policyholder on their savings mortgage and the corresponding receivables from Rabobank. For the savings mortgages without additional collateral, capital is held in accordance with DNB's Q&A on the treatment of savings mortgages under Solvency II.

Achmea does not apply specific limits for spread risk. Spread risk is managed at overall market risk level.

Currency risk

Currency risk is the risk resulting from the sensitivity of the values of assets and liabilities to changes in the level of currency exchange rates.

Achmea is exposed to currency risk, specifically in US dollars, as part of the regular investment portfolio (equities, fixed-income investments and listed real estate) and foreign incoming reinsurance contracts denominated in foreign currencies. Another significant exposure is the Turkish Lira through subsidiary Eureko Sigorta and associate Garanti Emeklilik Ve Hayat AS and associate Garanti BBVA Emeklilik A.S. The Turkish Lira continued to depreciate against the euro during 2022 and as a result, Turkey is considered a hyperinflationary country for accounting purposes. The main effects of this are explained in Note 1 Accounting policies.

The exchange rate risk table below shows the total exposure to the major currencies at year end.

CURRENCY RISK (€ MILLION)

	2023 TOTAL EXPOSURE	2023 NOMINAL VALUE HEDGE	2023 NET EXPOSURE	2022 TOTAL EXPOSURE	2022 NOMINAL VALUE HEDGE	2022 NET EXPOSURE
Net positon						
US dollar	1,560	1,349	211	1,381	1,272	109
Pond sterling	223	260	-37	192	235	-43
Japanse yen	119	119	1	175	172	3
Swiss franc	135	142	-7	534	525	9
Turkish lira	-68	-1	-67	16		16
Australian dollar	20	22	-2	47	52	-5
Canadian dollar	20	30	-10	43	46	-3
Other	199	24	176	200	65	135
Totaal	**2,208**	**1,944**	**264**	**2,588**	**2,367**	**221**

The exposure in the investment portfolio is generally hedged with foreign exchange contracts, with the exception of exposure in commodities and emerging markets investments (both fixed income assets and equities) in line with the investment policy.

Achmea Reinsurance hedges the currency risk of the reinsurance and retrocession contracts on an economic basis in line with the investment policy.

The net investment in, or income streams from, non-euro subsidiaries of Achmea are not hedged, because the operations of these subsidiaries are regarded as part of Achmea's long-term strategy. However, dividends declared are hedged.

Market concentration risk

Market concentration risk is the risk of loss resulting from the lack of diversification in investments and liabilities for market risk or due to an increased sensitivity to bankruptcy of an individual counterparty or group of affiliated counterparties, to the extent that this is not expressed under counterparty default risk. The balance sheet of Achmea does not comprise any market concentrations that lead to solvency capital requirements under Solvency II.

G. COUNTERPARTY DEFAULT RISK

Counterparty default risk is the risk of loss resulting from unexpected default, or deterioration in the credit standing, of the counterparties and debtors of Achmea.

Risk profile
Achmea is exposed to counterparty default risk related to derivatives, bank balances, retail loans, reinsurance, securities lending, receivables of healthcare providers, intermediaries and policyholders. The credit risk on mortgages and countries is taken into account under spread risk in calculating the Solvency Capital Requirement under Solvency II.

An overview of the financial investments categorised by credit rating, an overview of the assets and liabilities subject to offsetting and similar agreements and an overview of financial assets that are past due or impaired, are included in Note 29 Credit quality financial assets.

The required capital under Solvency II provides quantitative insight into the level of counterparty risk. In 2023, the required capital for counterparty risk increased from € 174 million at year-end 2022 to € 249 million at year-end 2023. The risk increased in particular due to outstanding claims related to the earthquakes in Turkey. Furthermore, the risk of the derivatives portfolio increased due to lower interest rates and the methodology change whereby policyholders with arrears of less than 3 months are now part of the risk. The risk has further increased due to a higher accounts receivable position at the Dutch Healthcare business due to an increase in the number of policyholders.

Risk response
The counterparty risk group level governance framework is set out in the Counterparty Risk Policy, which describes matters such as the process for initiating transactions with new counterparties, the limits and the limit revision and exposure control process. The main 'prevention' objective in managing counterparty risk at group level is to prevent undesired concentrations and ensure that portfolios are well diversified. Additionally, important measures in managing counterparty risk are arranged, for example to ensure proper recovery processes to withstand credit events. For healthcare providers the aim is to prevent negative net positions to limit the counterparty risk.

The limits per rating in the Counterparty Risk Policy are the same as last year and are given in the following table:

MAXIMUM EXPOSURE AT GROUP LEVEL

	(€ MILLION)
AAA	700
AA+, AA, AA-	500
A+, A, A-	400
BBB+	250
BBB	200
BBB-	125
<=BB+ and no rating	Determined on a case-by-case basis

Achmea uses ratings from S&P, Fitch and DBRS as well as AMBest (only for reinsurers). For private placements Achmea uses Scope Ratings, Egan-Jones Ratings and the Kroll Bond Rating Agency. If multiple ratings are available for the same financial instrument, the second-best rating is used. See Note 30 on Credit quality financial assets If no rating is available for private placements, then an 'internal' rating may be generated from the Moody's RiskCalc model specifically for this class. This model is tested against the guidelines in the Model Management and Validation Policy. For counterparties with a lower rating or no rating, creditworthiness is assessed on an individual basis for each counterparty in order to define the maximum exposure appropriate to the risk profile.

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The Counterparty Default Risk Policy also contains limit deviations for specific exposures such as for certain governments and banks. A specific deviation applies regarding exposure limits at group level to exposure to Rabobank Group. This exposure consists mainly of funds linked to capital policies, for which the interest yield is based on the interest paid by the policyholder on their savings mortgage. Additional securities have been agreed upon with Rabobank Group to mitigate this risk. Counterparty default risk only exists for the part of the portfolio for which no collateral has been arranged. This is reflected in the required capital for spread risk in line with DNB's Q&A and Good practices on the treatment of savings mortgages under Solvency II.

Derivatives

Derivative transactions are only initiated with counterparties that meet Achmea's rating requirements and collateral requirements. ISDA (International Swaps and Derivative Association) master agreements are in place between Achmea entities and its derivative counterparties. The Counterparty Default Risk Policy defines collateral requirements that must be specified in the individually negotiated Credit Support Annexes (CSA).

Only 'prime collateral' is accepted, comprised of government bonds issued by highly rated countries and cash collateral in euros, US dollars, British pounds and Swiss francs. Independent valuation of derivatives, daily settlement of collateral and improved valuation adjustments related to the remaining maturity of the collateral received, further reduces the counterparty default risk. In addition, Central Clearing is used for a portion of the derivatives portfolio. Central Clearing is used when entering into new derivatives transactions; the majority of the derivatives portfolio runs through a Central Counterparty (CCP). Achmea uses 'LCH Clearnet' and 'Eurex Clearing' and has set a limit for both to limit the maximum exposure. The CCPs accept only cash collateral and collateral is settled daily. In addition, clearing members must contribute to the CCP's reserves to manage counterparty default risk under stress scenarios.

Reinsurers

Reinsurers are part of the counterparty risk governance framework, which provides guidelines for entering into transactions with new counterparties, limits and allocations per counterparty. At Achmea Reinsurance the Underwriting Committee decides on the composition of the panel of reinsurers. Counterparty risk is monitored quarterly by the Risk Committee of Achmea Reinsurance.

Policyholders

The counterparty risk of receivables relating to policyholders is managed by premium collection measures. In the event that the policyholder is in arrears in the payment of premiums for their basic health insurance for more than six months, there is a national regulation in place through Zorginstituut Nederland (ZIN), provided that Achmea has met all relevant conditions. This regulation ensures that all unpaid premiums due for more than six months are compensated. The risk for Achmea is therefore limited to at most six months of unpaid premiums per insured person. For other types of insurance, such as non-life and supplementary health insurance, the cover can be suspended or terminated in the event of default.

Healthcare providers

The counterparty risk related to healthcare providers is mitigated by monitoring the total amount of liabilities less receivables (including advances). When receivables exceed liabilities, there is a negative net position.

Retail loans

Achmea's retail loans are mainly comprised of loans with real estate as collateral (mortgages) and/or with a security deposit as collateral. The counterparty default risk is the risk of payment arrears and impairment resulting from deterioration in the credit standing of the counterparty.

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H LIQUIDITY RISK

Liquidity risk is the risk of loss resulting from the inability to efficiently meet both expected and unexpected current and future cash flows and collateral needs without negatively affecting either daily operations or the financial position of the legal entity.

Risk profile

Achmea is exposed to liquidity risk at group level and with regard to its insurance and banking activities.

The liquidity position of the group at holding company level is affected by the outflow of external dividend, financing charges and other holding company expenses, and the inflow of dividend from subsidiaries. In addition, non-regular transactions have an impact, such as the refinancing of external funding, capital injections to subsidiaries and/or associates within the Group or M&A transactions.

From the perspective of the insurance activities, the liquidity risk is particularly related to stress scenarios such as catastrophes in the form of extreme storms and hail in the case of non-life insurance or large-scale surrender in the case of the life activities, whether or not in conjunction with a stress situation in financial markets. Maturity analyses of the Liabilities related to insurance contracts are presented in Note 6.3, Liabilities related to insurance contracts. In addition, the liquidity risk is related to collateral requirements arising from derivative positions mainly held in order to hedge the interest rate risk.

For the banking activities, there are liquidity and refinancing risks due to matters such as the difference in maturity of assets and liabilities between mortgages and short-term savings. The following table shows the contractual maturities of the banking operations in 2023 and 2022.

LIQUIDITY RISK EXPOSURE BANKING

(€ MILLION)

2023	LESS THAN 3 MONTHS	BETWEEN 3 AND 12 MONTHS	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Assets					
Investments	588	680	3,228	10,656	15,152
Cash and cash equivalents	618				618
Other assets	93				93
Total assets	**1,299**	**680**	**3,228**	**10,656**	**15,863**
Liabilities					
Financial liabilities	6,688	1,570	3,017	,.651	13,927
Derivatives	1	18	107	311	437
Other liabilities	17	12	13	-22	21
Total liabilities	**6,706**	**1,600**	**3,138**	**2,940**	**14,385**
Net liquidity gap	**-5,407**	**-920**	**90**	**7,716**	**1,478**

2022	LESS THAN 3 MONTHS	BETWEEN 3 AND 12 MONTHS	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Assets					
Investments	363	538	2,487	9,488	12,876
Cash and cash equivalents	937				937
Other assets	65				65
Total assets	**1,365**	**538**	**2,487**	**9,488**	**13,878**
Liabilities					
Financial liabilities	6,385	949	3,022	1,630	11,986
Derivatives	3	22	165	221	411
Total liabilities	**6,387**	**972**	**3,188**	**1,850**	**12,397**
Total liabilities	**-5,023**	**-433**	**-700**	**7,637**	**1,481**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Risk response

The Liquidity Risk Policy describes how liquidity risk is managed. Achmea has defined metrics for each of its supervised entities as well as the holding company. The metrics provide insight into Achmea's liquidity position and liquidity risk exposure for various time horizons under normal conditions as well as for a range of stress scenarios.

In line with the business plan, liquidity planning takes place at both Achmea B.V. and entity level. In addition, the liquidity contingency plan describes the procedures and measures for arranging liquidity in times of stress. This plan describes possible actions and sources of funds taking into account the behaviour of other counterparties. Each year a Liquidity Risk Assessment (LRA) presents the fullest and most up-to-date picture possible of the liquidity risks of the entities and of the Group. An assessment is also given of the quality of the risk response. The recommendations of the LRA serve as input for changes to policy, risk appetite or regular monitoring and reporting.

The liquidity position of Achmea is managed based on a monthly analysis of the three-year forecast and the availability of credit facilities. All projected cash flows are included and the impact of a number of relevant scenarios or expected transactions is calculated.

The liquidity risk of the insurance activities is managed by the entities. In their liquidity planning, cash inflows and outflows from insurance activities are taken into account for the liquidity risk of the insurance activities. Furthermore, stress scenarios are set up and regularly updated by each insurer. These stress scenarios consider subjects such as a catastrophe in the case of non-life insurance, large-scale lapse in the case of life insurance and also the possible impact of changes in collateral requirements. Additionally, the impact of a stress situation in financial markets is assessed. The entities report on this matter each quarter. Liquidity risk within Achmea's insurance operations is mitigated through the availability of cash and a high level of investments in liquid assets.

For the banking activities, Achmea manages its liquidity risk as part of its internal liquidity adequacy assessment process (ILAAP) at different levels:

- In the short term (overnight to one month), the bank's cash position is managed on a daily basis.
- In the medium term, Achmea measures the net funding requirement (NFR) against different scenarios to control its liquidity risk. The NFR measures the amount of funding needed to fulfil requirements, including any refinancing requirement in the capital market and net increase in assets in the retail business (particularly mortgages).
- For the long term, the bank strives for a well-diversified funding base both in terms of maturity and funding sources. Furthermore, the bank has liquidity contingency plans in place.

Important metrics for the banking entity are the liquidity coverage ratio (LCR), and the net stable funding ratio (NSFR). The LCR is defined as the stock of high-quality liquid assets divided by the net cash outflow over a 30-day period. The NSFR is, defined as the available amount of stable funding divided by the required amount of stable funding.

I OPERATIONAL RISK

Operational risk is defined as the risk of loss arising from inadequate or failed internal processes, personnel or systems, or from external events. This may result in financial loss, but also in reputational damage. Reputational risk is not considered a separate risk category, but a form of damage that may ensue from the risks Achmea is exposed to.

Risk profile

The main operational risks include risks related to information security and cybercrime, risks related to outsourcing, risks related to digitising our services and liability risks from products and services. Cybercrime risks are high, due to malware and ransomware attacks by cybercriminals using evolving techniques. Risks around website security and privacy-sensitive information also remain high due to the digitisation of our services involving changes to our websites and IT environment. The risk of irresponsible handling of big data is increasing in a world in which data plays an increasingly important role. Important risks related to outsourcing are concentration risks and subcontracting risks.

The required capital under Solvency II provides quantitative insight into the magnitude of operational risk. In 2023, the required capital for operational risk increased from € 626 million at year-end 2022 to € 666 million at year-end 2023 due to higher premiums in the Dutch healthcare business.

Risk response

The IGRC describes how operational risk is managed. Additional policies and procedures apply to specific risk events, such as information security, business continuity and outsourcing:
- Information security: all activities towards the realisation of a continuously optimal level of availability, integrity and confidentiality of information and information systems to ensure business continuity, protect customers' interest, prevent financial loss and reputational damage and comply with laws and regulations. The Internal Control Framework includes control measures focusing on cyber security, IT architecture, business continuity, data governance, physical security, IT operations, logical access security, programmes, projects and/or transitions and also change management;
- Business Continuity Management (BCM): this concerns identifying threats and their potential impact, determining the minimum service level required for customers and other stakeholders, and implementing and testing measures to prevent major disruptions of business-critical chains to mitigate the impact of the disruptions to an acceptable level. The Internal Control Framework includes control measures focusing on the prevention of system downtime and the back-up and recovery of data and systems;
- Outsourcing: outsourcing processes must be managed carefully, based on a risk/return evaluation, sustainability assessment including an ESG rating by Ecovadis and written documentation of reciprocal obligations. The Internal Control Framework includes control measures focusing on contracting, compliance with Service Level Agreements and registration of outsourcing.

In line with the IGRC, risk analyses are performed periodically to identify the operational risks within Achmea and appropriate control measures. Furthermore, risk analyses are conducted at various levels and on various topics, e.g. in the form of scenario analyses. Recently, scenario analyses have been carried out with regard to rogue trading, mandate management, IT disruption and cybercrime. In the past the cyber-scenario led, among other things, to the purchase of cyber risk insurance. Risk analyses also focus on innovations that impact operations and control such as the application of algorithms in processes.

For identified risks and control measures, an Internal Control Framework is used that is based on the COSO model and common market standards and uses key risks and key controls. Annually, after the risk analyses have been performed, the framework's key risks and key controls are updated. The framework is subsequently used to systematically monitor the effectiveness of control measures throughout the organisation. Cross-references to information security of DNB and Solvency II are included in the framework. In addition, an organisation-wide systematic issue and incident management process has been set up.

J. COMPLIANCE RISK

Compliance risk is the risk of diminishing reputation or current or future threats to the capital or result of an organisation as a result of a failure to comply with laws and regulations, and insufficient adherence to values, norms and supervisory and other rules. Failure to comply may result in legal or regulatory sanctions, material financial loss, or reputational damage. The Compliance Policy describes how compliance risk is managed. Additional policies and regulations are available covering specific compliance topics such as CDD, Privacy, Competition, Whistle Blower regulations and Insider regulations.

Risk profile
Key compliance risks include the risks associated with Duty of care, Product development, Customer due diligence (CDD), Privacy (compliance with the General Data Protection Regulation), Outsourcing, Cyber, Integrity, Fraud, and Competition. In delivering our services, it is important that the main focus is on customers' interests, with attention being paid to providing clear and timely product information to customers and to opportunities for improving the suitability of the sold product and the distribution process. A substantial number of incidents relate to relatively limited privacy issues. This can be explained on the one hand by digitisation and on the other hand by society's increased focus on privacy issues.

Risk response
Achmea's Laws & Regulation Committee identifies new legislation and forthcoming amendments and determines the impact on the organisation. Management is responsible for demonstrably correct and complete implementation. In case of profound impact on Achmea, the committee will advise the Executive Board to start an implementation project. Current examples include the Digital Operational Resilience Act (DORA), the new Pension Act and the Corporate Sustainability Reporting Directive (CSRD). In the implementation project groups, Compliance and Risk Management participate alongside management and the line organisation. Periodic reports are made to the Executive Board on the progress of implementation, risks and corrective measures regarding these types of projects. Achmea ensures detection of developments in laws and regulations through a specific module in the Internal Control Framework and monitors proper and timely implementation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Regulatory investigations have a major impact on business activities. The investigations arise not only from local regulations, but also from international legislation such as EU legislation for Duty of Care, Outsourcing, CDD and Sustainability. The contribution made to supervisory investigations requires a lot of effort and this is coordinated by the Supervisory Committee.

Risk analyses are performed annually to identify risks within Achmea. Important risk analyses performed by Compliance are the Integrated Risk Analysis (IRA), and the annual Systematic Integrity Risk Analysis (SIRA). Risk Analyses are also conducted at various levels and on various topics during the year. With regard to compliance with laws, regulations and internal rules of conduct, the most important legal provisions are translated into risks. For the internal control of the identified risks, the Control Framework uses issue and incident management to continuously learn and improve. Effectiveness of controls, issues and incidents are reported in relation to the risk appetite on a quarterly basis.

Compliance is closely involved in monitoring compliance with the Money Laundering and Terrorist Financing (Prevention) Act (Wwft), the Sanctions Act 1977, Privacy dilemmas and compliance with the General Data Protection Regulation (GDPR), including big data initiatives and ethical issues associated with artificial intelligence. Issues that concern all of Achmea are discussed periodically in the Ethics Committee, involving the CRO, the Compliance director, HR, employees from the various divisions and an external specialist. In 2023, specific attention was paid to sustainable policies, experimental healthcare needs, making phone calls in traffic and socially responsible investing. The integrity risk as part of compliance risk is set out in the Achmea Code of Conduct and the Integrity & Fraud Policy. This code of conduct states the core values, core qualities and rules of conduct of Achmea, and applies to all Achmea employees. The Integrity & Fraud Policy contains the principles highlighting the integrity risks in operational management, such as: anti-corruption, gifts, side-line activities, contracting third parties and execution of the SIRA. In 2023, the SIRA was also executed for each supervised entity, with input from staff departments. A new topic is socially responsible investing in relation to greenwashing risks. Ongoing attention is paid to integrity risks by assessing the effectiveness of fraud control measures on a quarterly basis using the Internal Control Framework.

Privacy, Cyber security, IFRS 9/17 and CDD were the main focus areas for the compliance function within Achmea for 2023. Short-cycle monitoring is used to monitor compliance with laws and regulations. Where appropriate, proactive coordination is sought with supervisory authorities. Any compliance issues identified by this monitoring are addressed by the responsible management, to be handled within the established frameworks for the defined compliance and integrity risk appetite. For Privacy and CDD, Achmea has established additional governance in the form of a Task Force with members from the Executive Board and chairs of divisional directors. In these Task Forces, the approach to cross-divisional issues or issues with IT dependencies is coordinated to achieve additional progress.

<u>Evaluation of the compliance function</u>
Once every three years, the AFM assesses the maturity level of the compliance function within Achmea. The results were received in 2023 and discussed by the AFM and the Executive Board. Compared to the previous assessment from 2020, Achmea has improved its maturity level with respect to three aspects. Improvement actions resulting from this assessment are being followed up. The overall result is positive. There has also been an internal evaluation of the organisation of the compliance function using an external specialist. Improvement actions are in progress, including the further concretisation of the separation of duties and the independence of the compliance function from first line and other second line functions and also the periodic board review of the compliance function.

<u>Non- compliance</u>
Short-cycle monitoring is used to ensure compliance with laws and regulations, and instances of non-compliance may occur. The monitoring revealed areas of concern in the areas of CDD, Privacy, Cyber security, Duty of Care and Outsourcing.

Customer Due Diligence (CDD
CDD is a top priority within Achmea, and the focus in 2023 was on improving control. This involves continuous learning from developments in the business units, from audits, from outcomes of on-site investigations in the business units by supervisors, and from fines imposed on other companies, reports from regulators or court rulings. In addition to control from the supervised business units, there is also additional control from the central CDD Task Force, which includes two Executive Board members. In addition to improving control of CDD, this Task Force is aimed at achieving high-quality and demonstrable solutions, where the ultimate responsibility lies with the supervised entities. Where possible and necessary, developments are accelerated. In order to be able to better monitor progress, the Task Force determined the outstanding actions for each business unit, after which realistic deadlines were set for each improvement action. These improvement actions were monitored throughout the year, so that in 2023 there was an even more focused focus on progress and the realisation of deadlines. The final actions will be completed in Q1 2024. A new action list for 2024 was adopted in early 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

The KYC Centre was established within Achmea in July 2023. All operational CDD activities are being centralised here, with the aim of making operations more uniform in the future and pooling and increasing expertise within Achmea. In 2023, the banking, non-life insurance, asset management and shared service processes relating to CDD were centralised. The remaining processes will be incorporated in the course of 2024. Reporting of unusual transactions to the Financial Intelligence Unit (FIU) is handled by the business units themselves. Additionally, a generic CDD IT platform is being established. The main focus is on transaction monitoring, screening at both onboarding and in continuity and also keeping CDD files in order.

Furthermore, in 2023 management and Compliance continued to devote attention to compliance with frequently changing sanctions as a result of Russia's invasion of Ukraine. This did not lead to any new hits in 2023. Achmea has a total of 19 sanctioned relationships in its portfolio that have been reported to the relevant regulators.

DNB's 2021 investigation into compliance with the Prevention of Anti-Money Laundering and Financing of Anti-Terrorism Act (Wwft) at Pensions and Life was completed in 2023. The AFM investigation that started at Syntrus Achmea Real Estate & Finance B.V. in 2022 into compliance with the Wwft with regard to reporting unusual transactions to the Financial Intelligence Unit (FIU) has not yet been completed. The AFM has indicated that an administrative fine is one of the possible options for dealing with the violations found. The other investigation, at Syntrus Achmea Real Estate & Finance B.V., which started at the beginning of 2023, is still in progress and concerns compliance with the Wwft and the Sanctions Act. In view of the interconnectedness of the two investigations, the AFM has indicated that it will complete them simultaneously in 2024. The completion will take some time. In the other business units, there are no specific investigations by the regulator into compliance with the Wwft and Sanctions Act.

Privacy
Achmea attaches great importance to Privacy compliance. Throughout the organisation, points of attention are continuously identified regarding compliance with the General Data Protection Regulation (GDPR)/Privacy legislation. Internal control was further improved in certain areas during 2023. Various improvement projects are in progress. One of the improvement projects oversees the implementation of tooling that provides secure file sharing and secure emailing, both internally and externally. In addition, an 'Unstructured Data' core team is in place to implement solutions for handling and controlling unstructured data environments. This relates to excessive data processing and data storage. The improvements will continue in 2024, partly because of the complexity of the process of managing the physical archive and data storage, including unstructured data. The majority of reported data breaches was related to data breaches involving a limited number of data subjects. Three cases involved more extensive data breaches; these occurred at Eurocross, Inshared and a number of brands which use software from an external supplier NEBU for market research. Mitigating measures have been taken to prevent such incidents in future.

Cyber security
Cyber security risk remained high in 2023. Geopolitical developments increase the threat of attacks by 'nation-state actors'. The Executive Board regards the continued development of cyber resilience as a strategic priority. Consequently, Achmea invested last year in measures to further increase resilience against ransomware and other attacks.

In 2023, two data breaches occurred at Achmea due to ransomware at external partners. The business impact of these incidents was limited, but they do show that outsourcing risk remains as high as ever. Despite outsourcing complying with legal frameworks, steps are needed to increase resilience of external partners as well. In this context, a pilot was started at division Non-Life and Income. The pilot surveyed cyber control measures at external partners. Based on this, external partners were categorised in different risk classes (so-called circles of trust), and it was determined whether additional actions were needed. This approach will also be rolled out across the other divisions in 2024.

The implementation of DORA legislation is a key focus area for 2024. In 2023, the first steps were taken for this purpose to determine the impact and the governance is in place to ensure DORA compliancy by 2025.

Duty of care
As a broad financial services provider, the Duty of Care theme applies to all Achmea business units. This includes treating consumers and business customers with care throughout the total duration of products and services. Achmea sees it as its duty to inform customers as thoroughly as possible to ensure they make the right choices. To this end, Guiding Principles were drawn up in 2020 as the basis for Achmea's fulfilment of the duty of care. The starting point is that Achmea takes widely held societal viewpoints into account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Following Kifid (Financial Services Complaints Tribunal) case law, the communication of changes to policy conditions was adjusted at the Non-Life and Income division in 2023. This will be followed up at the other divisions in the course of 2024. With regard to the unit-linked insurance claim, Achmea Pensioen- en Levensverzekeringen N.V. has reached an agreement with the interest groups on a final arrangement for customers with unit-linked insurance who are affiliated with one of these parties. The agreement will be final if 90% of the affiliated customers agree.

Outsourcing
A company-wide Outsourcing policy has been developed. This policy is designed in accordance with the requirements of applicable laws and regulations including EBA, EIOPA and ESMA. All outsourcing contracts are registered in a central contract administration managed by procurement. Four phases are distinguished for outsourcing: 1. Analysis, 2. Initiation, 3. Management and 4. Evaluation. For each phase, checklists, standardised documents and templates are used, which enable uniform registration. These documents are determined by Legal, Procurement, Supplier & Contract Management and Compliance. Examples are standard contracts, general purchasing conditions, the decision tree on qualification of outsourcing, processing agreement, security agreement, risk assessment service provider and assessment Assurance statements.

Outsourcing risk is monitored within the Achmea Control Framework (CFW). In 2023, there were no significant instances of non-compliance with laws and regulations at the business units and risk tolerances were not exceeded. Areas of concern relating to better demonstrability and recording have been addressed in the CFW and the regular reporting cycle.

Update on legal proceedings
Achmea B.V., its subsidiaries and participating interests are involved in a number of legal and arbitration proceedings. These proceedings relate to claims filed arising from regular business activities.

In October 2023, Achmea Bank N.V. received a summons for a class-action lawsuit from “Stichting Compensatie Zwitserse Frank Leningen” (CZFL). This claim relates to mortgage loans denominated in Swiss Franc (CHF), originally provided by Staalbankiers N.V. to several of its private banking clients. In the summons for the class action Stichting CZFL, acting on behalf of a number of Achmea Bank N.V. clients, holds Achmea Bank N.V. liable for any loss these clients have suffered or may suffer resulting from (unforeseen) CHF/EUR exchange rate developments. Achmea Bank N.V. will defend herself against the claim. In earlier proceedings against Staalbankiers N.V. and Achmea Bank N.V., initiated by individual clients, courts ruled in favour of Achmea Bank N.V. Given the assessment of the complaints and claims on the grounds stated in CZFL's summons, no provision has been made. The class-action legal proceedings will start in the beginning of 2024 for the court of The Hague.

K. CAPITAL MANAGEMENT

The objective of capital management is to ensure that all entities within the Achmea Group are always adequately funded to secure the interests of all stakeholders in the short and long term.

Capital position
Section B Capital position explains the solvency ratio under Solvency II and the composition of the eligible own funds under Solvency II. This section provides more information on the capital instruments used, the development of the liquidity position of the holding company and the credit ratings assigned by rating agencies.

CAPITAL INSTRUMENTS

(€ MILLION)

INTEREST RATE	NOTIONAL	YEAR OF ISSUE	DUE DATE	FIRST CALL DATE	OWN FUNDS TIER	SOLVENCY II VALUE 31 DECEMBER 2023	SOLVENCY II VALUE 31 DECEMBER 2022
6.75%	300	2023	26-12-2043	26-06-2033	Tier 2	315	N/A
4.625%	500	2019	Perpetual	24-03-2029	Restricted Tier 1	456	431
2.5%	250	2019	24-09-2039	24-06-2029	Tier 2	219	205
6.0%	500	2013	04-04-2043	04-04-2023[1]	Tier 2[2]	N/A	521
4.25%	750	2015	Perpetual	04-02-2025	Tier 2	758	741
5.5%	267[3]	2004	Perpetual		Restricted Tier 1[2]	N/A	278

1 This Instrument is called at 04-04-2023.
2 Grandfathered
3 Preference shares. This instrument has been withdrawn as of 31-12-2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Both Achmea Bank N.V. and Achmea B.V. provide access to the capital and money markets. The holding company finances the insurance entities in the form of capital payments.

Rating agencies use their own methodologies to assess the creditworthiness of a company. The ratings assigned by rating agencies to the Achmea entities are set out below.

RATINGS

ENTITY	TYPE	S&P	FITCH	MOODY'S
Holding				
Achmea B.V.	ICR/IDR	BBB+	A	
Insurance entities				
Achmea Schadeverzekeringen N.V.	FSR/IFS	A	A+	
Achmea Zorgverzekeringen N.V.	FSR/IFS	A	A+	
Achmea Pensioen- en Levensverzekeringen N.V.	FSR/IFS	A	A+	
Achmea Reinsurance Company N.V.	FSR	A-		
ENTITY	TYPE	S&P	FITCH	MOODY'S
Achmea Bank N.V.	Long-term	A-	A	
	Short-term	A-2	F1	
	Soft Bullet Covered Bond Programme	AAA		

Achmea, in addition to the statutory frameworks for IFRS, Solvency II, the Capital Requirements Directive V (CRD V) and the Capital Requirements Regulation (CRR), also steers on the capital surplus (according to the capital models of S&P and Fitch), the debt leverage ratio, the fixed charge coverage ratio and the double leverage ratio. The debt leverage ratio developed to 25.9% in 2023 (2022: 28.2%) due to an increase in equity. In addition, outstanding debt decreased on balance due to the repayment on 4 April 2023 of the € 500 million Tier 2 loan and the newly issued Tier 2 bond of € 300 million. The fixed charge coverage ratio based on the operating result came to 6.2 (2022: 5.7) due to a higher result for 2023.

Capital Policy

In the Capital Policy, the risk appetite is worked out in greater detail, based on internal capital standards as well as limits related to leverage and return.

- The principal premise of the capital policy is that all entities must be adequately funded, which involves having a buffer at entity level that is above the statutory minimum that is sufficient to be able to absorb setbacks.
- In addition, a buffer is held at group level to absorb any capital shortfall at the entities.
- The capital policy also includes an overview of the measures to be taken if internal limits are exceeded, including various options to change the risk profile.

The capital position of the Achmea Group and its entities is managed by monitoring the current capital position and projecting and analysing the future capital position, including calculating the effects of scenarios and stress tests and distributing capital within the Achmea Group.

Achmea's funding strategy is based on assuring access to international capital and credit markets at low cost, underpinned by credit ratings. Access to the capital and money markets is arranged both at Achmea Bank and holding level:

- Funding at holding level could come from dividends from subsidiaries, issuance of debt and credit lines with a number of national and international banks. At group level Achmea also maintains committed and uncommitted credit facilities with several mainly international banks. The committed credit facilities of € 1 billion were undrawn at year-end 2023.
- For the insurance activities the holding is involved in the financing of operational activities of certain subsidiaries by increasing capital.
- The main funding sources for Achmea Bank N.V. are securitisations, covered bonds, unsecured funding and retail funding (deposits and savings accounts). Achmea strives to maintain a balance between continuity of funding and flexibility through the use of liabilities with a range of maturities.

Dividend and coupon payments

In preparing the financial statements the Executive Board proposes an appropriation of the Net result to the General Meeting of Shareholders, as explained in Achmea B.V.'s company financial statements 2024, Note 22 Proposed appropriation of the Net result. With regards to financial year 2023, the Executive Board proposes to the General Meeting to distribute an amount of € 267.319.786,67 to the holders of ordinary shares. This amount equals 7,0% of the value of Achmea over the fiscal year 2023 based on the Achmea Valuation Principles as defined in the All Shareholder's Agreement. The Executive Board may give shareholders the choice between a (partial or full) dividend in cash or in the form of ordinary shares of Achmea.

In compliance with the capital policy, the Executive Board tests whether the solvency ratio at the end of the financial year – based on the partial internal model – exceeds 130% and is expected to remain above 130% in the next 12 months. Additionally, an assessment is made of whether the solvency ratio remains above the target ratio of 165%. Developments regarding solvency levels at the legal entities within the Group are also tested. The proposal is based on the Group's long-term financial outlook, taking into account the interests of the Achmea stakeholders. This includes, among other things, legal reserve restrictions, capital and liquidity development over the planning period, the outcome of scenario and stress tests and various ratios from a rating agency perspective, such as the S&P and Fitch capital position, the debt leverage ratio and the fixed-charge coverage ratio.

The resolution to distribute dividends is passed by the General Meeting of Achmea B.V. The General Meeting is authorised to resolve on a different dividend distribution than the distribution proposed in the financial statements. Distributions may only be made to shareholders and other persons entitled to distributable profits to the extent that equity exceeds the reserves to be maintained pursuant to the law.

The resolution of the General Meeting to distribute dividends must be approved by the Executive Board. The Executive Board will only withhold its approval if it is aware, or should reasonably be able to anticipate that, Achmea B.V., upon payment, will not be able to continue paying its due and debts.

Coupon payments on Other equity instruments are subject to the restrictions described in the relevant prospectuses. The prospectuses are available on the Achmea website (https://www.achmea.nl/investors/schuldpapier). These coupon payments are part of the Group liquidity forecast prepared in line with the liquidity policy (for more information refer to the liquidity risk section).

Achmea B.V. has several options to generate cash, to be able to pay dividends and the above-mentioned coupons. Examples include credit facilities, dividends paid by group companies with sufficient financial scope, disposal of assets and attracting additional funding. The group companies' financial scope for dividend payments is determined based on similar criteria to those mentioned above. Depending on the activities of the group company, different percentages and ratios apply.

3. SEGMENT REPORTING

Achmea's activities are divided into segments. The segments draw up strategic, commercial and financial policies within the overall strategy, performance targets and risk appetite set by the Executive Board. All reported segment revenues, except internal reinsurance contracts, relate to external customers. The operational result is equal to the result before tax adjusted for reorganisation expenses, results from mergers & acquisitions and application of an expected return method for the net financial result from (re)insurance activities. Achmea is divided into the following segments:

Non-life Netherlands

Consists of non-life insurance business in the Netherlands to cover customers' risks related mainly to motor vehicles, property, general liability, occupational health and accident, including disability and short-term sickness.

Health Netherlands

Covers basic and supplementary health insurance and health services in the Netherlands.

Pension & Life Netherlands

Covers pension and life business in the Netherlands, including unit-linked insurance (investment insurance).

Retirement Services Netherlands

Covers asset management and pension management activities in the Netherlands. Furthermore, this segment includes the activities of Achmea Bank focused on providing residential mortgage loans, saving accounts and investment funds in the Netherlands to individuals.

International activities

Contains activities outside the Netherlands. Segment International activities operates actively in the countries Australia, Greece, Slovakia, Canada and Turkey. The international activities consist primarily of insurance activities. Insurance activities relate to the provision of Non-life, Health and Life insurance policies, including the provision of investment contracts containing no or insignificant insurance risk. Furthermore, associates are included within this segment.

Other activities

Includes Achmea Reinsurance and a wide range of other services that individually do not meet the quantitative requirements for separate reporting. Furthermore, investments not related to the abovementioned segments, Shared Service Centres and staff departments, net of their recharges to the above segments, are included in this segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

SEGMENT CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

(€ MILLION)

	NON-LIFE NETHERLANDS	HEALTH NETHERLANDS	PENSION & LIFE NETHERLANDS	RETIREMENT SERVICES NETHERLANDS	INTER-NATIONAL ACTIVITIES	OTHER ACTIVITIES	INTER-SEGMENT ELIMINATIONS	TOTAL
Assets								
Intangible assets	661			54	68	16		799
Associates and joint ventures	101	20	50		9	29	-167	42
Property for own use and equipment	1	2			56	268		327
Investment property			716		4	5		725
Financial investments								0
Investments from insurance and other activities	7,121	4,997	41,409		1,118	1,437	-1,276	54,806
Banking credit portfolio				15,171				15,171
Deferred tax assets	10		477	7	47	430		971
Income tax receivable			515	2	6		-444	79
Insurance contract assets					5			5
Reinsurance contracts held assets	459		26		701	304	-397	1,093
Receivables and accruals	98	871	552	212	83	72	-168	1,720
Cash and cash equivalents	129	380	382	728	263	77	-25	1,934
Assets classified as 'Held for sale'					9	37		46
Total assets	**8,580**	**6,270**	**44,127**	**16,174**	**2,369**	**2,675**	**-2,477**	**77,718**
Equity								
Equity attributable to holders of equity instruments of the company	2,151	3,839	3,376	893	381	-1,662		8,978
Non-controlling interest			1			1		2
Total equity	**2,151**	**3,839**	**3,377**	**893**	**381**	**-1,661**		**8,980**
Liabilities								
Insurance contract liabilities								
Non-Life	5,653				1,136	499	-413	6,875
Health		2,187			189			2,376
Life			34,595		340	22	16	34,973
Other provisions	11			2	15	910		938
Financial liabilities	454	237	3,141	14,842	280	2,761	-1,636	20,079
Derivatives	13	6	3,014	437		2		3,472
Deferred tax liabilities					2	9		11
Income tax payable	298	1			26	133	-444	14
Total liabilities	**6,429**	**2,431**	**40,750**	**15,281**	**1,988**	**4,336**	**-2,477**	**68,738**
Total equity and liabilities	**8,580**	**6,270**	**44,127**	**16,174**	**2,369**	**2,675**	**-2,477**	**77,718**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

SEGMENT CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 - REVISED

(€ MILLION)

	NON-LIFE NETHERLANDS	HEALTH NETHERLANDS	PENSION & LIFE NETHERLANDS	RETIREMENT SERVICES NETHERLANDS	INTER-NATIONAL ACTIVITIES	OTHER ACTIVITIES	INTER-SEGMENT ELIMINATIONS	TOTAL
Assets								
Intangible assets	646			58	64	19		787
Associates and joint ventures	13				23	10		46
Property for own use and equipment	1	2			57	318		378
Investment property			840		5	5		850
Financial investments								
Investments from insurance and other activities	7,032	5,347	42,542		1,101	1,370	-1,415	55,977
Banking credit portfolio				12,911				12,911
Deferred tax assets			845	2	19	426	-261	1,031
Income tax receivable	34		184	13	59		-212	78
Insurance contract assets					11			11
Reinsurance contracts held assets	508		51		255	323	-357	780
Receivables and accruals	183	851	764	139	101	97	-221	1,914
Cash and cash equivalents	141	246	180	1,038	238	113	-10	1,946
Assets classified as 'Held for sale'						26		26
Total assets	**8,558**	**6,446**	**45,406**	**14,161**	**1,933**	**2,707**	**-2,476**	**76,735**
Equity								
Equity attributable to holders of equity instruments of the company	2,085	3,560	3,242	851	340	-1,483		8,595
Non-controlling interest			1			1		2
Total equity	**2,085**	**3,560**	**3,243**	**851**	**340**	**-1,482**		**8,597**
Liabilities								
Insurance contract liabilities								
Non-Life	5,467				695	502	-382	6,282
Health		2,650			159		-3	2,808
Life			33,957		339	36	4	34,336
Other provisions	10		2	2	18	844		876
Financial liabilities	713	231	4,316	12,897	300	2,646	-1,624	19,479
Derivatives	13	4	3,888	411		1		4,317
Deferred tax liabilities	270				17		-261	26
Income tax payable		1			65	160	-212	14
Total liabilities	**6,473**	**2,886**	**42,163**	**13,310**	**1,593**	**4,189**	**-2,495**	**68,138**
Total equity and liabilities	**8,558**	**6,446**	**45,406**	**14,161**	**1,933**	**2,707**	**-2,495**	**76,735**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS PER SEGMENT 2023

(€ MILLION)

	NON-LIFE NETHERLANDS	HEALTH NETHERLANDS	PENSION & LIFE NETHERLANDS	RETIREMENT SERVICES NETHERLANDS	INTER-NATIONAL ACTIVITIES	OTHER ACTIVITIES	INTER-SEGMENT ELIMINATIONS	TOTAL
Insurance revenue	4,034	15,553	1,679		1,564	321	-220	22,931
Insurance service expenses	-3,620	-15,520	-1,665		-2,153	-204	121	-23,041
Net insurance service result from reinsurance contracts held	-167	-1			582	-84	99	429
Insurance service result	**247**	**32**	**14**		**-7**	**33**		**319**
Investment result from (re)insurance activities	240	159	826		64	-6	-46	1,237
Finance result from insurance contracts	-193	-12	-627		-128	-11	8	-963
Finance result from reinsurance contracts held	27		2		116	14	-8	151
Net financial result from (re)insurance activities	**74**	**147**	**201**		**52**	**-3**	**-46**	**425**
Income from associates and joint ventures	4	-1	7		-7	-10		-7
Investment result from other activities				483		34	26	543
Income from service contracts	19	152		288	37	59	-42	513
Other income		6		4	32	2		44
Total other income	**23**	**157**	**7**	**775**	**62**	**85**	**-16**	**1,093**
Other operating expenses	11	142	2	441	66	130		792
Interest and similar expenses	13		12	285	1	76	-62	325
Other expenses	11	7		2	34	38		92
Total other expenses	**35**	**149**	**14**	**728**	**101**	**244**	**-62**	**1,209**
Operational result[1]	**309**	**187**	**208**	**47**	**6**	**-129**	**0**	**628**
Non-operational result	95	94	104	-5	17	21		326
Profit before tax	**404**	**281**	**312**	**42**	**23**	**-108**	**0**	**954**
Income tax	103	1	77	11	-13	-39		140
Net result	**301**	**280**	**235**	**31**	**36**	**-69**		**814**
Expense ratio[2]	24.3%	2.2%			15.8%			
Claims ratio[2]	69.6%	97.5%			88.4%			
Combined ratio[2]	93.9%	99.7%			104.2%			
Amortisation charges	7	1		3	23	45		79
Impairment losses				2	6			8

1 The operational result consists of the result before tax of € 954 billion adjusted for the expected return method of € 344 billion, reorganisation costs of € 14 million and transaction results from mergers and acquisitions, including goodwill impairments of € 4 million. For more information on the definition of the operational result, please refer to Chapter 1 Accounting policies.

2 The ratios of the International activities segment relate to both Non-Life and Health Insurance. The ratio reported is after reinsurance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS PER SEGMENT 2022 - REVISED

(€ MILLION)

	NON-LIFE NETHERLANDS	HEALTH NETHERLANDS	PENSION & LIFE NETHERLANDS	RETIREMENT SERVICES NETHERLANDS	INTER-NATIONAL ACTIVITIES	OTHER ACTIVITIES	INTER-SEGMENT ELIMINATIONS	TOTAL
Insurance revenue	3,864	14,739	1,781		1,311	294	-192	21,797
Insurance service expenses	-3,599	-14,555	-1,693		-1,295	-328	210	-21,260
Net insurance service result from reinsurance contracts held	-48		-4		8	10	-18	-52
Insurance service result	**217**	**184**	**84**		**24**	**-24**		**485**
Investment result from (re)insurance activities	20	4	129		13	6	17	189
Finance result from insurance contracts	63	-1	105		-8	20	-26	153
Finance result from reinsurance contracts held	-44		-5		24	-28	26	-27
Net financial result from (re)insurance activities	**39**	**3**	**229**		**29**	**-2**	**17**	**315**
Income from associates and joint ventures	2				-7	-18		-23
Investment result from other activities				227	3	13	-17	226
Income from service contracts	17	139		271	32	23	-34	448
Other income				1	17			18
Total other income	**19**	**139**		**499**	**45**	**18**	**-51**	**669**
Other operating expenses	11	126		393	68	102		700
Interest and similar expenses	3	3	6	95	1	63	-34	137
Other expenses	3	8		14	49	39		113
Total other expenses	**17**	**137**	**6**	**502**	**118**	**204**	**-34**	**950**
Operational result[1]	**258**	**189**	**307**	**-3**	**-20**	**-212**		**519**
Non-operational result	-148	-192	-1,155	-30	-28	-21		-1,574
Profit before tax	**110**	**-3**	**-848**	**-33**	**-48**	**-233**		**-1,055**
Income tax	29	1	-218	-1	12	-70		-247
Net result	**81**	**-4**	**-630**	**-32**	**-60**	**-163**		**-808**
Expense ratio[2]	23.4%	2.5%			20.3%			
Claims ratio[2]	71.0%	96.3%			77.5%			
Combined ratio[2]	94.4%	98.8%			97.8%			
Amortisation charges	3	1		9	23	49		85
Impairment losses		-1	2	32	10	-30		13

1 The operational result consists of the result before tax of -€ 1.055 billion adjusted for the expected return method of € 1.531 billion, reorganisation costs of € 14 million and transaction results from mergers and acquisitions, including goodwill impairments of € 29 million. For more information on the definition of the operational result, please refer to Chapter 1 Accounting policies.

2 The ratios of the International activities segment relate to both Non-Life and Health Insurance. The ratio reported is after reinsurance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

GEOGRAPHICAL SEGMENT REPORTING, INCLUDING INTERGROUP ADJUSTMENTS

(€ MILLION)

	NETHERLANDS	TURKEY	GREECE	SLOVAKIA	OTHER[1]	TOTAL 2023	TOTAL 2022
Insurance revenue	21,367	307	403	789	65	22,931	21,797
Insurance service expenses	-20,888	-881	-429	-776	-67	-23,041	-21,260
Net expenses from reinsurance contracts	-153	558	34	-5	-5	429	-52
Insurance service result	**326**	**-16**	**8**	**8**	**-7**	**319**	**485**
Total assets	75,349	745	1,186	346	92	77,718	76,735
Non-current assets	62,610	745	833	157	3	64,348	63,628

1 Other includes Australia and Canada.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

NOTES TO SIGNFICANT BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

4. INVESTMENT PROPERTY

(€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Balance at 1 January	850	1,028
Acquisitions	8	16
Disposals	-20	-177
Fair value changes recognised in profit or loss	-101	11
Changes due to reclassification[1]	-12	-26
Transfer to/from property for own use		-2
Balance at 31 December	**725**	**850**

1 For more information on the 2023 reclassification reference is made to Note 20 Assets and liabilities held for sale and divestments.

(€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Residential	630	696
Retail	11	24
Offices	82	128
Other	2	2
Total	**725**	**850**

Achmea’s contractual liabilities for maintenance of investment property are € 1 million at year-end 2023 (31 December 2022: € 1 million).

Investment property is leased under operating lease contracts, in general with fixed monthly lease payments which may be amended at contractually agreed times. Minimal rental income under operating lease contracts, not cancellable without penalty, for this investment property is as follows:

(€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Less than 1 year	8	10
1 - 5 years	23	28
Over 5 years	23	25
Total	**54**	**63**

KEY ESTIMATES TO DETERMINE THE VALUE OF INVESTMENT PROPERTY

The methods used to determine the revalued amount for Property for own use and fair value of Investment property are described in Note 8 Fair value hierarchy. The assumptions used in applying some of these methods are supported by the terms of any existing lease and other relevant contracts and by external evidence such as recent and expected general economic trends, current market rents for similar properties in the same location and condition. Various assumptions should be made and techniques applied in valuing property whereby these assumptions and techniques, may have significant consequences for the valuation. Sufficient reference transactions in an effective market are available for the valuation as of 31 December 2023. Achmea sees no reason to adjust the valuations of the external appraisers.

ACCOUNTING POLICIES INVESTMENT PROPERTY

Investments property is measured at fair value. All changes in fair values and rental income from Investment Properties are recognised as Investment Income in the statement of profit and loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

5. INVESTMENTS

INVESTMENTS CLASSIFIED BY NATURE

(€MILLION)

	FAIR VALUE WITH CHANGES IN FAIR VALUE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS[1]		AMORTISED COST		TOTAL	
FINANCIAL ASSETS	31 DECEMBER 2023	REVISED 31 DECEMBER 2022	31 DECEMBER 2023	REVISED 31 DECEMBER 2022	31 DECEMBER 2023	REVISED 31 DECEMBER 2022
Investments from insurance and other activities						
Equities & similar investments	8,656	6,114			8,656	6,114
Fixed income investments						
Bonds from or guaranteed by Governments	10,570	12,042			10,570	12,042
Securitised bonds[2]	1,074	1,903			1,074	1,903
Corporate bonds	13,484	12,389			13,484	12,389
Convertible bonds	400	292			400	292
Loans secured by mortgages	8,315	7,657			8,315	7,657
Loans and deposits with credit institutions	212	173	6	6	218	179
Other	1,697	1,271	5	5	1,702	1,276
Total fixed income investments	35,752	35,727	11	11	35,763	35,738
Derivatives	4,680	5,452			4,680	5,452
Other financial investments	5,707	8,673			5,707	8,673
Total Investments from insurance and other activities	54,795	55,966	11	11	54,806	55,977
Banking credit portfolio[3]						
Fixed income investments	0					
Loans secured by mortgages			14,151	11,895	14,151	11,895
Loans and deposits with credit institutions			555	431	555	431
Total Fixed income investments			14,737	12,326	14,737	12,326
Derivatives	371	538			371	538
Other financial investments			63	47	63	47
Total Banking credit portfolio	371	538	14,800	12,373	15,171	12,911
Total investments	55,166	56,504	14,811	12,384	69,977	68,888

1 Investments measured at fair value with changes in fair value recognised in the statement of profit and loss totalling € 55,166 million relates for € 792 million (31 December: 2022 € 1,065 million) to Investments designated measured at fair value with changes in fair value recognised in the statement of profit and loss.
2 Securitised bonds consist of € 245 million (31 December 2022: € 137 million) in asset-backed bonds.
3 The Banking Credit Portfolio includes a provision relating to credit losses (ECL). Additions and withdrawals to provisions during 2023 were equal to € 7 million (2022: € 8 million). Note 29 Credit quality of financial assets further analyses this provision.

Insurance business and other investments in equity and similar investments with a total of € 8,656 million (31 December 2022: € 6,114 million) concern listed ordinary shares of € 5,011 million (31 December 2022: € 3,396 million), alternative investments of € 777 million (31 December 2022: € 1,171 million), investments in real estate funds of € 801 million (31 December 2022: € 860 million), investments in fixed income funds of € 1,948 million (31 December 2022: € 583 million) and other investments of € 119 million (31 December 2022: € 104 million).

Investments from insurance and other activities contains all investments covering the insurance contracts with participation features. These investments consist of equity & similar investments € 5,126 million (31 December 2022: € 2.457 million), fixed income investments € 2,507 million (31 December 2022: € 4.410 million), derivatives € 198 million (31 December 2022: € 108 million) and other financial investments € 4,915 million (31 December 2022: € 5.197 million).

The vast majority of the insurance business and other investments are measured at fair value with changes in fair value recognised in the statement of profit and loss. Derivatives are used for interest rate risk mitigation (see Note 2 Capital and risk management and 27 Hedge accounting). Other financial insurance business and other investments classified as Loans and receivables mainly concern balances linked to capital policies held at Rabobank Group, the interest income from which is based on the interest paid by the policyholder on their savings mortgage.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

MOVEMENTS INVESTMENTS

(€ MILLION)

	INVESTMENTS INSURANCE ENTITIES AND OTHER ACTIVITIES		BANKING CREDIT PORTFOLIO[1]		TOTAL	
	2023	2022	2023	2022	2023	2022
Balance at 1 January	**55,977**	**66,289**	**12,911**	**12,095**	**68,888**	**78,384**
Change of composition of the Group[2]	-2,284		-32		-2,316	0
Investments and loans granted	51,832	46,498	3,531	3,582	55,363	50,080
Divestments and disposals	-52,351	-47,876	-1,532	-2,450	-53,883	-50,326
Fair value changes	1,639	-10,196	-181	325	1,458	-9,871
Change in value due to fair value hedge accounting			318	-687	318	-687
Foreign currency differences	25	227	22	18	47	245
Accrued interest and rental	150	30	-2	16	148	46
Cash movements	-181	-134			-181	-134
Changes due to reclassification	-14	144			-14	144
Other changes	13	995	136	12	149	1,007
Balance at 31 December	**54,806**	**55,977**	**15,171**	**12,911**	**69,977**	**68,888**

1 The Banking Credit Portfolio includes a provision relating to credit losses (ECL) under Other changes. Additions and withdrawals to provisions during 2023 are € 7 million (2022: € 8 million). Note 29 Credit quality of financial assets further analyses this provision.
2 The change in composition of the group under investments insurance entities and other activities relates to fund investments, where the third-party share is no longer consolidated as Achmea no longer has control in these funds. Third-party debt is reduced for the same amount (see Note 7 Financial liabilities)

Insurance business and other investments

The insurance business and other investments decreased by € 1,171 million in 2023 compared to 2022. The main development underlying this decrease concerns the decrease in the third party interests in a number of fund investments. These funds are no longer consolidated because Achmea no longer has control. On the other hand, investments increased in value due to a positive balance from investments and divestments and positive revaluations due to favourable market developments.

Based on the contractual maturity, an amount of € 34,125 million (31 December 2022: € 37,487 million) of fixed income investments and other fixed income investments and other financial investments is expected to be realised after 12 months from the balance sheet date. All assets without contractual maturity date are assumed to be realised after 12 months from the balance sheet date.

Banking credit portfolio

The banking credit portfolio amounts to € 15,171 million (31 December 2022: € 12,911 million). Of this, € 14,800 million (31 December 2022: € 12,373 million) is valued at amortised cost. The banking credit portfolio increased by € 2,260 million compared to 2022. The main development in the banking credit portfolio in 2023 concerns the € 1,960 million increase in the mortgage portfolio due to increase in the regular production and acquisition of third-party mortgage portfolios.

As of 31 December 2023, the banking credit portfolio includes a provision of € 29 million (31 December 2022: € 22 million) relating to credit losses (ECL). The ECL is explained in more detail in Note 29 Credit quality financial assets.

The mark-up included in the interest rate on mortgage-backed loans as a surcharge for the interest averaging for the new contracts is allocated to the remaining (shorter) term of the old loan.

An amount of € 1,365 million (31 December 2022: € 1,525 million) is not payable on demand and consists of collateral for derivatives and reserve funds related to securitisation transactions. An amount of € 13,289 million (31 December 2022: € 11,783 million) of the Banking credit portfolio is expected to be recovered after 12 months from the balance sheet date. More information on the securitisation transactions is provided in Note 30 Transfer of financial assets and collateral.

Investments in unconsolidated structured entities

Achmea's investments in unconsolidated structured entities such as mortgage-backed bonds and other asset-backed securities are included in Investments - *Secured bonds*. When viewed in terms of individual value per entity, the composition of the portfolios of Achmea’s interests in structured entities is very diverse. For the most part, Achmea invests in senior-rated, asset-backed securities, limiting potential credit losses. For the main unconsolidated structured entities, the table below shows the maximum exposure to loss for Achmea as at 31 December 2023, which is equal to the carrying amount of the securities as at that date. In addition, the table shows a comparison of Achmea’s interest with the total amount of Notes (securities) issued by the structured entity. The amount displayed for Total value of securities issued on issue date is based on the size of the transaction when the securities were issued.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

INVESTMENTS IN NON-CONSOLIDATED STRUCTURED ENTITIES

(€ MILLION)

	31 DECEMBER 2023		31 DECEMBER 2022	
	MAXIMUM EXPOSURE ON LOSS	TOTAL VALUE OF SECURITIES ISSUED ON ISSUE DATE	MAXIMUM EXPOSURE ON LOSS	TOTAL VALUE OF SECURITIES ISSUED ON ISSUE DATE
Effects on mortgage collateral	149	6,110	90	10,554
Effect on Vehicle Lease Receivables collateral	85	4,813	42	7,415
Other effects	11	633	5	221
Carrying amount in structured entity as at 31 December	**245**	**11,556**	**137**	**18,190**

Derivatives

The following tables present information on derivatives. Achmea uses all of the derivatives for risk management purposes. Some derivatives are used for hedge accounting purposes (see Note 27 Hedge accounting).

DERIVATIVES CLASSIFIED BY NATURE

(€ MILLION)

			31 DECEMBER 2023
	ASSETS	LIABILITIES	BALANCE
Interest rate derivatives	4,813	3,388	1,425
Currency derivatives	86	75	11
Equity derivatives	152		152
Other derivatives		9	-9
Total	**5,051**	**3,472**	**1,579**

DERIVATIVES CLASSIFIED BY NATURE

(€ MILLION)

			31 DECEMBER 2022
	ASSETS	LIABILITIES	BALANCE
Interest rate derivatives	5,821	4,258	1,563
Currency derivatives	59	58	1
Equity derivatives	108	1	107
Other derivatives	2		2
Total	**5,990**	**4,317**	**1,673**

EXPECTED TIME TO EXPIRY DATE OF UNDISCOUNTED CASH FLOWS

(€ MILLION)

	LESS THAN 1 YEAR	1-3 YEARS	3-5 YEARS	> 5 YEAR	TOTAL
31 DECEMBER 2023					
Interest rate derivatives	531	484	429	2,766	4,210
Currency derivatives	38	6	6	46	96
Equity derivatives	0				0
Other derivatives	9				9
	578	**490**	**435**	**2,812**	**4,315**
31 DECEMBER 2022					
Interest rate derivatives	141	931	688	3,468	5,228
Currency derivatives	8	8	6	32	54
Equity derivatives	1				1
Other derivatives	0				0
	150	**939**	**694**	**3,500**	**5,283**

ANALYSIS OF NOTIONAL AND FAIR VALUE FOR INTEREST AND CURRENCY DERIVATIVES OWN RISK

(€ MILLION)

			31 DECEMBER 2023			31 DECEMBER 2022
	NOMINAL VALUE	FAIR VALUE ASSETS	FAIR VALUE LIABILITIES	NOMINAL VALUE	FAIR VALUE ASSETS	FAIR VALUE LIABILITIES
Interest derivatives	65,170	4,811	3,387	52,256	5,822	4,258
Forward exchange contracts	2,089	41	26	1,849	58	8
Cross-currency interest rate swaps	170	0	41	390		50
Total	**67,429**	**4,852**	**3,454**	**54,495**	**5,880**	**4,316**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Market concentration by investment portfolio

Achmea has no material market concentration in its investment portfolio. Market concentration risk is further explained in Note 2 capital and risk management, in the 'market risk' section.

KEY ASSUMPTIONS AND ESTIMATES WHEN ASSESSING THE VALUATION OF INVESTMENTS

Assessment of expected credit losses on investments

Upon recognition in the balance sheet and at each balance sheet date, Achmea assesses expected credit losses on investments: fixed income securities valued at amortised cost. This assessment is further explained under accounting policy investments – impairments.

Fair value of investments determined using valuation techniques

In the absence of an active market, the fair value of non-quoted investments is estimated by using present value of cash flows or other valuation techniques. Reference is made to Note 8, Fair value hierarchy, for a detailed description of the methods used.

ACCOUNTING POLICIES FOR INVESTMENTS

Valuation and initial recognition in the balance sheet

The initial measurement of investments takes place at the moment Achmea becomes a party to a financial instrument, i.e. on the transaction date. Initial measurement is done at fair value excluding transaction costs for investments recognised at fair value with changes in fair value recognised in the statement of profit and loss and including transaction costs for investments recognised at amortised cost and at fair value through net other comprehensive income. Subsequent measurement depends on the classification of the investment.

Classification and subsequent measurement

Classification

Upon initial recognition, an investment is classified as measured at amortised cost, fair value with changes in fair value recognised in the net other comprehensive income or fair value with changes in fair value recognised in the statement of profit and loss. The classification that determines the subsequent measurement is based on the business model of the investment portfolio and the SPPI test.

Investments are not reclassified after initial recognition unless Achmea changes its business model for these investments. In that case, all affected investments are accounted for according to the new classification in the reporting period in which the business model was changed.

An investment is measured at amortised cost if it meets the following requirements:

- The investment falls within a business model that aims to receive contractual cash flows; and
- The contractual features lead to predetermined times when cash flows are received. The SPPI test is described in more detail below under SPPI test for contractual cash flows.

An investment is measured at fair value with changes in fair value recognised in the net other comprehensive income when it meets the following requirements:

- The investment falls within a business model that aims to both receive contractual cash flows and be able to sell the investments; and
- The contractual features lead to predetermined times when cash flows are received.

Shares and derivatives do not satisfy the SPPI test and are mandatorily measured at fair value with changes in fair value recognised in the statement of profit and loss (Achmea does not use the option to measure shares at fair value through net other comprehensive income).

Business model assessment

For each investment portfolio, Achmea determines the purpose of the business model that represents how the portfolio is managed and reported to management. The business model is based on the formal terms and objectives of the investment portfolio, how the returns and risks of the portfolios that determine the performance of the business model are managed, how management is assessed and rewarded and the level of sales in the portfolio.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

SPPI test for contractual cash flows

The SPPI test determines whether the contractual cash flows represent only the repayment of principal and interest on the outstanding balance of the loan ('solely payments of principle and interest'). This involves testing whether there are contractual provisions in the loan that could change the timing and size of the contractual cash flow, making it no longer compliant with the conditions of the SPPI test. Achmea takes the following into consideration:

- future events that may change the timing and size of the cash flow;
- leverage features;
- early repayment and extension options;
- provisions that limit the cash flows of certain investments for Achmea; and
- characteristics that may change the level of interest payments over time (e.g. periodic review of interest rates).

An early repayment option meets the SPPI conditions if it consists mainly of repayment of the principal and interest on this principal as well as reasonable compensation for early termination of the contract.

Virtually the entire investment portfolio of the insurance business is managed and performance is assessed based on fair value developments. Within this model, underlying investments are actively traded with the aim of maximising the results. These investment portfolios do not meet the requirements for the business model aimed at both receiving and being able to sell contractual cash flows and are therefore mandatorily measured at fair value (excluding transaction costs) with changes in fair value recognised in the statement of profit and loss.

The fixed income investments of the banking business and a minor part of the investments of the insurance business meet the requirements for valuation at amortised cost.

Subsequent measurement and processing of gains and losses

Investments are measured at fair value with changes in fair value recognised in the statement of profit and loss.

Investments measured at fair value with changes in fair value recognised in the statement of profit and loss (FVPL or 'Fair value through profit or loss') are measured at fair value. Changes in fair value, including interest or dividend income and foreign currency differences are recognised in the statement of profit and loss, unless they are changes in value from derivatives used to hedge investment risks to which hedge accounting is applied. Investment income, foreign currency differences and other fair value changes are recognised in investment result from insurance/reinsurance activities or non-insurance activities.

Investments at amortised cost

Investments at amortised cost are measured at amortised cost (including transaction costs) based on the effective interest method. Interest income, foreign currency differences and impairments are recognised in the statement of profit and loss. Realised gains and losses are also recognised in the statement of profit and loss.

The following paragraphs on expected credit losses and impairments apply to investments measured at amortised cost. This largely applies to the loans on Achmea Bank's balance sheet.

Non-impaired investments at initial recognition

If an investment is not impaired (no stage 3 ECL), interest income on the carrying amount of the investment is calculated based on the effective interest method. To determine the interest rate, Achmea takes into account all future cash flows subject to the contract terms of the investment, excluding expected credit losses (ECL).

If an investment is impaired (stage 3 ECL) after initial recognition, interest income on the amortised cost (gross amortised cost adjusted for impairment) of the investment is recalculated based on the effective interest rate. If the impairment no longer applies, interest is calculated again on the gross amortised cost of the investment (without adjustment for the impairment).

Impaired investment at initial recognition

Interest income is calculated on the amortised cost of the investment by applying the effective interest rate adjusted for creditworthiness. This adjusted effective interest rate is calculated based on future cash flows including ECL. If the creditworthiness of the investment improves, this effective interest rate will no longer be calculated on an amortised cost basis.

Derivatives, including those forming part of other financial liabilities

Derivatives, including those forming part of other financial liabilities that are separated from the main contract, are classified as held for trading unless they are part of a hedge relationship. Derivatives are measured at fair value with changes in fair value recognised in the statement of profit and loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Impairments

Achmea accounts for expected credit losses (ECL) on investments and loans valued at amortised cost using a ‘three-stage’ model:

- Stage 1 (12-month ECL) for expected defaults on loans arising within 12 months of the balance sheet date. This relates to loans with a low credit risk and exposure to banks with an investment-grade credit rating.
- Stage 2 (total term ECL) for expected default during the total term in the event of a significant increase in credit risk since initial recognition, but for which there is no indication of impaired creditworthiness yet. If there is a payment delay of at least 30 days, there is a presumption that a deterioration in creditworthiness has occurred. This can still be deviated from (qualitatively substantiated).
- Stage 3 (total term ECL) for loans for which there is an indication of impaired creditworthiness. This involves an impairment.

Information on the ECL is provided in Note 29 Credit quality financial assets. For a transition to Stage 3, this applies if there is a payment delay of at least 90 days. In addition, indicators such as loan restructuring, debtor bankruptcy, fraud, insufficient income and special management are relevant. The effects of the triggers will be adopted unless Achmea deviates (qualitatively substantiated).

Purchased or original credit loss assets

Stage 3 also includes loans purchased or valued at credit loss in the balance sheet at the time of initial recognition. Purchased loans are loans whose risk is very high at first withdrawal and loans obtained at a high discount. If material, this specific category of assets is analysed separately from the other assets in Stage 3.

Determining the ECL

Credit losses are determined based on the present value of all contractual cash flows that Achmea no longer expects to receive. The ECL is determined by three generally used underlying models: Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD).

PD reflects the probability that a debtor cannot meet their financial obligation. The EAD reflects the outstanding amount of the loan. The LGD is the amount Achmea expects to lose if the debtor can no longer meet their obligations, involving mitigation through collateral obtained.

Presentation of credit losses in the balance sheet

Credit loss for ECL of investments and loans valued at amortised cost is deducted from the carrying amount of the asset at the expense of Investment result from insurance/reinsurance activities (for insurance business investments) or Investment result from non-insurance activities (Banking credit portfolio).

Write-off

The carrying amount of a financial asset is reduced when Achmea expects that all or part of the financial asset will not be received. This is normally the case when Achmea determines that the borrower has insufficient assets or income sources that can generate cash flows to make partial or full repayments. This assessment is carried out at the individual active level. Although Achmea does not expect significant receipts from amounts written off, written-off financial assets may be subject to Achmea's regular recovery procedures.

Derecognition and Offsetting

A financial asset (or part of a financial asset) is derecognised when the contractual rights to receive cash flows from the financial asset have expired or when Achmea has transferred substantially all risks and rewards associated with the asset and if Achmea did not retain control of the asset.

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

Achmea uses the average cost price method for financial assets and liabilities that are no longer included in the balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

6. ASSETS AND LIABILITIES RELATED TO INSURANCE CONTRACTS AND SHARE OF REINSURERS IN INSURANCE LIABILITIES

ANALYSIS OF ASSETS AND LIABILITIES RELATED TO (RE)INSURANCE CONTRACTS

(€ MILLION)

			31 DECEMBER 2023			REVISED 31 DECEMBER 2022
	(RE)INSURANCE ASSETS	(RE)INSURANCE LIABILITIES	TOTAL	(RE)INSURANCE ASSETS	(RE)INSURANCE LIABILITIES	TOTAL
Insurance contracts						
Non-life						
General model		1,039	1,039		1,098	1,098
Premium allocation approach	1	5,836	5,835	4	5,184	5,180
Subtotal	**1**	**6,875**	**6,874**	**4**	**6,282**	**6,278**
Health						
General model		40	40		44	44
Premium allocation approach	2	2,336	2,334	3	2,764	2,761
Subtotal	**2**	**2,376**	**2,374**	**3**	**2,808**	**2,805**
Life						
General model	2	24,295	24,293	4	24,937	24,933
Variable fee approach		10,667	10,667		9,395	9,395
Assets for insurance acquisition cash flows		11	11		4	4
Subtotal	**2**	**34,973**	**34,971**	**4**	**34,336**	**34,332**
Total insurance contracts	**5**	**44,224**	**44,219**	**11**	**43,426**	**43,415**
Outward reinsurance contracts held						
Non-life						
Premium allocation approach	1,064		1,064	724		724
Health						
Premium allocation approach	2		2			
Life						
General model	27		27	56		56
Total outward reinsurance contracts held	**1,093**		**1,093**	**780**		**780**

The total value of the insurance contracts as of 31 December 2023 is € 44,219 million (31 December 2022: € 43,415 million). The total value of reinsurance contracts as of 31 December 2023 is € 1,093 million (31 December 2022: € 780 million). The developments are described in more detail per portfolio in this chapter.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

CSM maturity overview

The following tables show the expected realization in favor of the income statement of the remaining Contractual Service Margin (CSM) after the balance sheet date for liabilities related to insurance contracts valued under the general model (GMM) and the VFA approach.

(€ MILLION)

					31 DECEMBER 2023
	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	BETWEEN 5 AND 15 YEARS	OVER 15 YEARS	TOTAL
Non-life					
Insurance contracts	16	51	60	26	153
Health					
Insurance contracts	2	5	5	2	14
Life					
Insurance contracts	64	178	327	507	1,076
Reinsurance contracts held	1				1

(€ MILLION)

					31 DECEMBER 2022
	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	BETWEEN 5 AND 15 YEARS	OVER 15 YEARS	TOTAL
Non-life					
Insurance contracts	15	46	52	18	131
Health					
Insurance contracts	2	6	5	2	15
Life					
Insurance contracts	59	196	342	501	1,098
Reinsurance contracts held	1				1

For the insurance contracts with direct participation features for which the interest rate risk of guarantees provided is mitigated through interest rate derivatives, the change in value of the CSM due to Achmea's share in the change in value of the underlying financial instruments is recognised in the statement of profit and loss. The effect of risk mitigation in the statement of profit and loss on the CSM amounts to € -31 million for 2023 (2022: € 406 million).

Maturity overview of present value of future cash flows

The following tables show the expected outcome of the present value of future cash flows. These tables do not include the Risk Adjustment and the CSM. This table must be viewed in conjunction with the Capital and risk management section - H liquidity risk.

(€ MILLION)

									31 DECEMBER 2023
	LESS THAN 12 MONTHS	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 3 YEARS	BETWEEN 2 AND 3 YEARS	BETWEEN 4 AND 5 YEARS	BETWEEN 5 AND 10 YEARS	BETWEEN 10 AND 15 YEARS	MORE THAN 15 YEARS	TOTAL
Insurance contract liabilities									
Non-life	2,158	1,060	717	513	392	1,011	383	290	6,524
Health	1,619	246	123	248	2	6	2	1	2,247
Life	3,189	2,387	2,233	2,050	1,887	7,485	5,165	8,782	33,178
Total	**6,966**	**3,693**	**3,073**	**2,811**	**2,281**	**8,502**	**5,550**	**9,073**	**41,949**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

(€ MILLION)

									31 DECEMBER 2022
	LESS THAN 12 MONTHS	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 3 YEARS	BETWEEN 2 AND 3 YEARS	BETWEEN 4 AND 5 YEARS	BETWEEN 5 AND 10 YEARS	BETWEEN 10 AND 15 YEARS	MORE THAN 15 YEARS	TOTAL
Insurance contract liabilities									
Non-life	1,176	1,005	748	537	423	1,179	487	415	5,970
Health	2,312	343	78	16	3	1	2	5	2,760
Life	2,916	2,443	2,127	2,052	1,888	7,292	5,012	8,783	32,513
Total	**6,404**	**3,791**	**2,953**	**2,605**	**2,314**	**8,472**	**5,501**	**9,203**	**41,243**

Amounts payable on demand are included as part of the cash flows of the liabilities related to insurance contracts. The amounts of (re)insurance liabilities payable on demand is € 10,366 (31 December 2022: € 10,702).

Analysis of insurance contracts by insurance unit

The tables below provide insight into insurance contracts by insurance unit (Non-Life, Health and Life). A breakdown of liabilities to insurance contracts will first be given for each insurance sector. A summary will then be presented for each insurance sector, including the trend in the carrying amount of insurance contracts. These statements include a statement of cash flows necessary to meet the liabilities after the balance sheet date and reconciliation of changes to the income statement. For the portfolios valued according to GMM or VFA, an analysis of the development of expected future cash flows, Risk Adjustment and CSM is also included.

ANALYSIS INSURANCE CONTRACTS NON LIFE

(€ MILLION)

	31 DECEMBER 2023		31 DECEMBER 2022	
	LIABILITIES RELATED TO INSURANCE CONTRACTS	%	LIABILITIES RELATED TO INSURANCE CONTRACTS	%
Income protection and accident	2,593	38%	2,786	44%
Motor liability	2,024	28%	1,687	27%
Motor hull	194	3%	65	1%
Transport / avation liability	36	1%	48	1%
Fire, building and contents	1,142	17%	800	13%
General liability	831	12%	894	14%
Legal assistance	55	1%	2	0%
Total	**6,875**	**100%**	**6,282**	**100%**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

MOVEMENTS IN TOTAL INSURANCE CONTRACTS - NON-LIFE 2023

(€ MILLION)

	LIABILITIES FOR REMAINING COVERAGE		LIABILITIES FOR INCURRED CLAIMS			
			GMM	PAA		
	EXCLUDING LOSS COMPONENT	LOSS COMPONENT	ESTIMATES OF PRESENT OF VALUE OF FUTURE CASH FLOWS	ESTIMATES OF PRESENT OF VALUE OF FUTURE CASH FLOWS	RISK ADJUSTMENT	TOTAL
Insurance contracts assets	-8			4		-4
Insurance contracts liabilities	98	45	1,234	4,800	105	6,282
Balance at 1 January	**90**	**45**	**1,234**	**4,804**	**105**	**6,278**
Revenue from contracts under the Fair value approach	-187					-187
Revenue from regular contracts	-4,608					-4,608
Insurance service revenue	**-4,795**					**-4,795**
Incurred benefits & claims and other insurance service expenses			173	3,952	-6	4,119
Amortisation of insurance acquisition cash flows	457					457
Adjustments to liabilities for incurred claims			5	379	16	400
Losses and reversal of losses on onerous contracts		-12				-12
Insurance service expenses	**457**	**-12**	**178**	**4,331**	**10**	**4,964**
Insurance service result	**-4,338**	**-12**	**178**	**4,331**	**10**	**169**
Financial income and expenses	35	6	3	302	10	356
Effect of changes in exchange rates	-18	-5		-83	-7	-113
Total changes in the statement of profit and loss	**-4,321**	**-11**	**181**	**4,550**	**13**	**412**
Premiums received	4,932					4,932
Claims, investment components and other insurance service expenses paid			-224	-4,075		-4,299
Insurance acquisition cash flows	-457					-457
Cash flows	**4,475**		**-224**	**-4,075**		**176**
Other changes	3	2	1		2	8
Balance at 31 December	**247**	**36**	**1,192**	**5,279**	**120**	**6,874**
Insurance contracts assets	-1					-1
Insurance contracts liabilities	248	36	1,192	5,279	120	6,875

The most significant increase in insurance liabilities for incurred claims for Non-Life PAA in 2023 relates to the earthquake in Turkey and floods and forest fires in Greece and additional personal injury contributions in the Netherlands. In addition, the insurance contract liabilities are sensitive to interest rate and inflation developments. Short-term interest rates have dropped and long-term interest rates have risen. Inflation and inflation expectations have decreased significantly compared to 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

MOVEMENTS IN TOTAL INSURANCE CONTRACTS - NON-LIFE 2022

(€ MILLION)

	LIABILITIES FOR REMAINING COVERAGE		LIABILITIES FOR INCURRED CLAIMS			
			GMM	PAA		
	EXCLUDING LOSS COMPONENT	LOSS COMPONENT	ESTIMATES OF PRESENT OF VALUE OF FUTURE CASH FLOWS	ESTIMATES OF PRESENT OF VALUE OF FUTURE CASH FLOWS	RISK ADJUSTMENT	TOTAL
Insurance contracts assets						
Insurance contracts liabilities	280	30	1,428	4,905	117	6,760
Balance at 1 January	**280**	**30**	**1,428**	**4,905**	**117**	**6,760**
Revenue from contracts under the Fair value approach	-198					-198
Revenue from regular contracts	-4,313					-4,313
Insurance service revenue	**-4,511**					**-4,511**
Incurred benefits & claims and other insurance service expenses			186	3,535	47	3,768
Amortisation of insurance acquisition cash flows	428					428
Adjustments to liabilities for incurred claims			25	88	-55	58
Losses and reversal of losses on onerous contracts		21				21
Insurance service expenses	**428**	**21**	**211**	**3,623**	**-8**	**4,275**
Insurance service result	**-4,083**	**21**	**211**	**3,623**	**-8**	**-236**
Financial income and expenses	-75	-4	-191	-474	-7	-751
Effect of changes in exchange rates	-3	-2		-52	-3	-60
Total changes in the statement of profit and loss	**-4,161**	**15**	**20**	**3,097**	**-18**	**-1,047**
Premiums received	4,391					4,391
Claims, investment components and other insurance service expenses paid			-214	-3,192		-3,406
Insurance acquisition cash flows	-428					-428
Cash flows	**3,963**		**-214**	**-3,192**		**557**
Change in composition of the group	8					8
Changes in composition of the Group	**8**					**8**
Transfers insurance liabilities				-6	6	
Balance at 31 December	**90**	**45**	**1,234**	**4,804**	**105**	**6,278**
Insurance contracts assets	-8			4		-4
Insurance contracts liabilities	98	45	1,234	4,800	105	6,282

The decrease in insurance contract liabilities is mainly caused by an increase in interest rates and rising inflation expectations in 2022. In addition, the insurance contract liabilities are influenced by weather-related claims.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

MOVEMENTS IN INSURANCE CONTRACTS MEASURED AT GMM - NON-LIFE 2023

(€ MILLION)

			CONTRACTUAL SERVICE MARGIN			
	ESTIMATES OF PRESENT VALUE OF FUTURE CASH FLOWS	RISK ADJUSTMENT	CONTRACTS UNDER FAIR VALUE APPROACH	OTHER CONTRACTS	TOTAL CSM	TOTAL
Insurance contracts assets						
Insurance contracts liabilities	894	73	131		131	1,098
Balance at 1 January	**894**	**73**	**131**		**131**	**1,098**
Changes in the statement of profit or loss and other comprehensive income						
Changes that relate to current services	**-8**	**-9**	**-17**	**-1**	**-18**	**-35**
CSM recognised for services provided			-17	-1	-18	-18
Change in the risk adjustment for non-financial risk		-9				-9
Experience adjustments	-8					-8
Changes that relate to future services	**-57**	**6**	**23**	**17**	**40**	**-11**
Contracts initially recognised	-20	9		11	11	
Changes in estimates that adjust the CSM	-26	-3	23	6	29	
Changes in estimates that result in losses and reversal of losses on onerous contracts	-11					-11
Changes that relate to past services	**10**	**-4**				**6**
Adjustments to liabilities for incurred claims	10	-4				6
Insurance service result	**-55**	**-7**	**6**	**16**	**22**	**-40**
Financial income and expenses and foreign currency differences	28	9				37
Total changes in the statement of profit and loss and other comprehensive income	**-27**	**2**	**6**	**16**	**22**	**-3**
Premiums received	168					168
Claims, benefits and other insurance service expenses paid	-224					-224
Insurance acquisition cash flows						
Cash flows	**-56**					**-56**
Balance at 31 December	**811**	**75**	**137**	**16**	**153**	**1,039**
Insurance contracts assets						
Insurance contracts liabilities	811	75	137	16	153	1,039

Interest rate increases and lower inflation expectations have a positive effect on the development of the CSM and the loss component. As a result, the 2022 annual cohort has become profitable and the loss component has been released (see the line Changes in estimates that result in losses and reversal of losses on onerous contracts). In addition to interest rate and inflation effects, improved rehabilitation opportunities have led to lower expected cash flows on future benefits, leading to a higher CSM (see line Changes in estimates that adjust the CSM).

There is a relatively limited increase in the CSM due to new contracts (2023: € 11 million; 2022: nil) and is therefore not further explained.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

MOVEMENTS IN INSURANCE CONTRACTS MEASURED AT GMM - NON-LIFE 2022

(€ MILLION)

			CONTRACTUAL SERVICE MARGIN			
	ESTIMATES OF PRESENT VALUE OF FUTURE CASH FLOWS	RISK ADJUSTMENT	CONTRACTS UNDER FAIR VALUE APPROACH	OTHER CONTRACTS	TOTAL CSM	TOTAL
Insurance contracts assets						
Insurance contracts liabilities	1,153	101	126		126	1,380
Balance at 1 January	**1,153**	**101**	**126**		**126**	**1,380**
Changes in the statement of profit or loss and other comprehensive income						
Changes that relate to current services		**-8**	**-14**		**-14**	**-22**
CSM recognised for services provided			-14		-14	-14
Change in the risk adjustment for non-financial risk		-8				-8
Changes that relate to future services	**-15**	**8**	**19**		**19**	**12**
Contracts initially recognised	2	11				13
Changes in estimates that adjust the CSM	-16	-3	19		19	
Changes in estimates that result in losses and reversal of losses on onerous contracts	-1					-1
Changes that relate to past services	**33**	**-8**				**25**
Adjustments to liabilities for incurred claims	33	-8				25
Insurance service result	**18**	**-8**	**5**		**5**	**15**
Financial income and expenses and foreign currency differences	-260	-20				-280
Total changes in the statement of profit and loss and other comprehensive income	**-242**	**-28**	**5**		**5**	**-265**
Premiums received	193					193
Claims, benefits and other insurance service expenses paid	-214					-214
Cash flows	**-21**					**-21**
Acquisition of subsidiairies			4		4	4
Changes in composition of the Group			**4**		**4**	**4**
Transfer to other items in the statement of financial position	4		-4		-4	
Balance at 31 December	**894**	**73**	**131**		**131**	**1,098**
Insurance contracts assets						
Insurance contracts liabilities	894	73	131		131	1,098

Due to the decreased interest rate and expected increase in inflation in 2022, new production is onerous (see line First recognition of contracts). The CSM increases due to a one-off adjustment in costs, which leads to lower expected cash outflows (see line Contracts initially recognised).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Analysis insurance business: claims development before reinsurance and net of reinsurance

The tables below show the gross claims development as well the net claims development (after reinsurance).

CLAIMS DEVELOPMENT TABLE FOR NON-LIFE

(€ MILLION)

(BEFORE REINSURANCE)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	TOTAL
Estimate of cumulative claims											
At the end of underwriting year	3,513	2,930	2,711	2,696	2,734	2,805	2,737	2,930	2,594	2,593	
One year later		2,874	2,530	2,657	2,643	2,744	2,645	2,909	2,622	2,532	
Two years later			2,801	2,477	2,734	2,704	2,611	2,814	2,658	2,587	
Three years later				2,472	2,626	2,844	2,558	2,815	2,597	2,542	
Four years later					2,584	2,659	2,564	2,785	2,564	2,419	
Five years later						2,625	2,535	2,767	2,513	2,366	
Six years later							2,438	2,672	2,530	2,356	
Seven years later								2,706	2,543	2,357	
Eight years later									2,392	2,447	
Nine years later										2,260	
Estimate of cumulative claims	**3,513**	**2,874**	**2,801**	**2,472**	**2,584**	**2,625**	**2,438**	**2,706**	**2,392**	**2,260**	**26,665**
Cumulative payments	1,380	2,008	1,937	1,927	2,098	2,241	2,111	2,382	2,166	2,070	20,320
	2,133	**866**	**864**	**545**	**486**	**384**	**327**	**324**	**226**	**190**	**6,345**
Insurance liabilities claims prior years (< 2014)											989
Risk Adjustment											136
Effect of discounting											-879
Outstanding claims at 31 december 2023											**6,591**

CLAIMS DEVELOPMENT TABLE FOR NON-LIFE

(€ MILLION)

(NET OF REINSURANCE)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	TOTAL
Estimate of cumulative claims											
At the end of underwriting year	2,960	2,545	2,577	2,540	2,594	2,668	2,616	2,653	2,477	2,525	
One year later		2,488	2,433	2,485	2,509	2,628	2,574	2,696	2,555	2,468	
Two years later			2,635	2,338	2,616	2,598	2,540	2,606	2,602	2,548	
Three years later				2,339	2,499	2,762	2,492	2,619	2,528	2,507	
Four years later					2,467	2,568	2,506	2,590	2,506	2,385	
Five years later						2,545	2,480	2,576	2,454	2,335	
Six years later							2,388	2,479	2,478	2,326	
Seven years later								2,513	2,488	2,329	
Eight years later									2,342	2,412	
Nine years later										2,227	
Estimate of cumulative claims	**2,960**	**2,488**	**2,635**	**2,339**	**2,467**	**2,545**	**2,388**	**2,513**	**2,342**	**2,227**	**24,904**
Cumulative payments	1,307	1,790	1,896	1,890	2,060	2,194	2,086	2,211	2,129	2,056	19,619
	1,653	**698**	**739**	**449**	**407**	**351**	**302**	**302**	**213**	**171**	**5,285**
Insurance liabilities claims prior years (< 2014)											936
Risk Adjustment											96
Effect of discounting											-784
Outstanding claims at 31 december 2023											**5,533**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

ANALYSIS INSURANCE CONTRACTS HEALTH

(€ MILLION)

	31 DECEMBER 2023		31 DECEMBER 2022	
	LIABILITIES RELATED TO INSURANCE CONTRACTS	%	LIABILITIES RELATED TO INSURANCE CONTRACTS	%
Basic Health Insurance	1,878	79%	2,505	87%
Supplementary Health Insurance	396	17%	207	10%
Other	102	4%	96	3%
Total	**2,376**	**100%**	**2,808**	**100%**

MOVEMENTS IN TOTAL INSURANCE CONTRACTS - HEALTH 2023

(€ MILLION)

	LIABILITIES FOR REMAINING COVERAGE		LIABILITIES FOR INCURRED CLAIMS			
			GMA	PAA		
	EXCLUDING LOSS COMPONENT	LOSS COMPONENT	ESTIMATES OF PRESENT OF VALUE OF FUTURE CASH FLOWS	ESTIMATES OF PRESENT OF VALUE OF FUTURE CASH FLOWS	RISK ADJUSTMENT	TOTAL
Insurance contracts assets				-3		-3
Insurance contracts liabilities	-765	5	2	3,535	31	2,808
Balance at 1 January	**-765**	**5**	**2**	**3,532**	**31**	**2,805**
Revenue from contracts under the Full retrospective approach	-9					-9
Revenue from regular contracts	-16,361					-16,361
Insurance service revenue	**-16,370**					**-16,370**
Incurred benefits & claims and other insurance service expenses			15	15,728	122	15,865
Amortisation of insurance acquisition cash flows	45					45
Adjustments to liabilities for incurred claims			-8	543	-123	412
Losses and reversal of losses on onerous contracts		16		2		18
Investment components and premium refunds	-1		1			
Insurance service expenses	**44**	**16**	**8**	**16,273**	**-1**	**16,340**
Insurance service result	**-16,326**	**16**	**8**	**16,273**	**-1**	**-30**
Financial income and expenses	14			3		17
Effect of changes in exchange rates	1			-1		
Total changes in the statement of profit and loss	**-16,311**	**16**	**8**	**16,275**	**-1**	**-13**
Premiums received	16,375					16,375
Claims, investment components and other insurance service expenses paid			-7	-16,764		-16,771
Insurance acquisition cash flows	-22					-22
Cash flows	**16,353**		**-7**	**-16,764**		**-418**
Balance at 31 December	**-723**	**21**	**3**	**3,043**	**30**	**2,374**
Insurance contracts assets				-2		-2
Insurance contracts liabilities	-723	21	3	3,045	30	2,376

Liabilities related to insurance contracts decreased by € 431 million to € 2,374 million (2022: € 2,805 million). This is mainly explained by a decrease in the Liabilities for Incurred Claims as a result of an increase in claims and because the arrears incurred with healthcare providers have largely been cleared. The balance of insurance Liabilities for Remaining Coverage in future periods is negative at both year-end 2023 and year-end 2022 due to the claim against ZIN, relating to current year and previous years, which is included in this position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

At 1 January 2022 there was a loss component of € 487 million related to all basic insurance portfolios and some supplementary health insurance packages. At year-end 2022, a limited loss component of € 5 million was included for 2023 that related to some supplementary health insurance packages and part of Greece's portfolio. At year-end 2023 a limited loss component of € 21 million was again recognized for 2024 related to the basic insurance portfolio of Zilveren Kruis Zorgverzekeringen N.V., some supplementary health insurance packages and part of the portfolio of Greece.

The movements in the Risk adjustment of Liabilities For Incurred Claims relate to estimation of the future cash flows. Due to the one-year term of the contracts, the Risk adjustment almost releases in the same fiscal year.

Income and expenses from insurance-related services are further disclosed in Note 9 Income from (re)insurance-related services.

MOVEMENTS IN TOTAL INSURANCE CONTRACTS - HEALTH 2022

(€ MILLION)

	LIABILITIES FOR REMAINING COVERAGE		LIABILITIES FOR INCURRED CLAIMS			
			GMA	PAA		
	EXCLUDING LOSS COMPONENT	LOSS COMPONENT	ESTIMATES OF PRESENT OF VALUE OF FUTURE CASH FLOWS	ESTIMATES OF PRESENT OF VALUE OF FUTURE CASH FLOWS	RISK ADJUSTMENT	TOTAL
Insurance contracts assets	-1			-1		-2
Insurance contracts liabilities	-1,732	487	2	3,190	31	1,978
Balance at 1 January	**-1,733**	**487**	**2**	**3,189**	**31**	**1,976**
Revenue from contracts under the Full retrospective approach	-9					-9
Revenue from regular contracts	-15,414					-15,414
Insurance service revenue	**-15,423**					**-15,423**
Incurred benefits & claims and other insurance service expenses			16	14,635	123	14,774
Amortisation of insurance acquisition cash flows	88					88
Adjustments to liabilities for incurred claims			-8	978	-123	847
Losses and reversal of losses on onerous contracts		-482				-482
Insurance service expenses	**88**	**-482**	**8**	**15,613**		**15,227**
Insurance service result	**-15,335**	**-482**	**8**	**15,613**		**-196**
Financial income and expenses	-4			-1		-5
Total changes in the statement of profit and loss	**-15,339**	**-482**	**8**	**15,612**		**-201**
Premiums received	16,326					16,326
Claims, investment components and other insurance service expenses paid			-8	-15,269		-15,277
Insurance acquisition cash flows	-19					-19
Cash flows	**16,307**		**-8**	**-15,269**		**1,030**
Balance at 31 December	**-765**	**5**	**2**	**3,532**	**31**	**2,805**
Insurance contracts assets				-3		-3
Insurance contracts liabilities	-765	5	2	3,535	31	2,808

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Insurance business analysis: claims development before and after deducting reinsurance Health

The table below on the claims development for Health is presented only before reinsurance, as a claims development table after reinsurance would give the same picture.

CLAIMS DEVELOPMENT TABLE FOR HEALTH

(€ MILLION)

(BEFORE REINSURANCE)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	TOTAL
Estimate of cumulative claims											
At the end of underwriting year	16,309	15,620	14,022	14,153	14,041	13,954	13,873	13,458	13,105	12,551	
One year later		15,653	13,731	14,118	13,911	13,856	13,663	13,229	12,897	12,321	
Two years later			13,694	13,763	13,852	13,817	13,624	13,218	12,844	12,216	
Three years later				13,742	13,734	13,843	13,618	13,243	12,885	12,186	
Four years later					13,732	13,777	13,618	13,252	12,960	12,209	
Five years later						13,774	13,516	13,252	12,954	12,254	
Six years later							13,516	13,171	12,954	12,251	
Seven years later								13,170	12,861	12,252	
Eight years later									12,860	12,198	
Nine years later										12,197	
Estimate of cumulative claims	**16,309**	**15,653**	**13,694**	**13,742**	**13,732**	**13,774**	**13,516**	**13,170**	**12,860**	**12,197**	**138,647**
Cumulative payments	13,542	15,478	13,397	13,938	13,731	13,775	13,515	13,170	12,860	12,197	135,603
	2,767	**175**	**297**	**-196**	**1**	**-1**	**1**				**3,044**
Insurance liabilities claims prior years (< 2014)											7
Risk Adjustment											30
Effect of discounting											-5
Outstanding claims at 31 december 2023											**3,076**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

ANALYSIS INSURANCE CONTRACTS LIFE

(€ MILLION)

	31 DECEMBER 2023 LIABILITIES RELATED TO INSURANCE CONTRACTS	31 DECEMBER 2023 %	31 DECEMBER 2022 LIABILITIES RELATED TO INSURANCE CONTRACTS	31 DECEMBER 2022 %
Life insurance with guarantees on investment income	17,558	50%	16,883	49%
Immediate pensions – annuities	2,303	7%	2,229	7%
Term life insurances	136	0%	57	0%
Other Life insurances	14,976	43%	15,167	44%
Total	**34,973**	**100%**	**34,336**	**100%**

The category Other life insurances refers mainly to unit-linked Savings and products valued according to the VFA approach.

MOVEMENTS IN TOTAL INSURANCE CONTRACTS - LIFE 2023

(€ MILLION)

	LIABILITIES FOR REMAINING COVERAGE			
	EXCLUDING LOSS COMPONENT	LOSS COMPONENT	LIABILITIES FOR INCURRED CLAIMS	TOTAL
Insurance contracts assets	-4			-4
Insurance contracts liabilities	33,954	43	335	34,332
Balance at 1 January	**33,950**	**43**	**335**	**34,328**
Contracts under the Full retrospective approach	-36			-36
Contracts under the Fair value approach	-1,565			-1,565
Regular contracts	-165			-165
Insurance service revenue	**-1,766**			**-1,766**
Incurred benefits & claims and other insurance service expenses		-15	1,779	1,764
Amortisation of insurance acquisition cash flows	10			10
Adjustments to liabilities for incurred claims			-58	-58
Losses and reversal of losses on onerous contracts		30		30
Investment components and premium refunds	-912		912	
Insurance service expenses	**-902**	**15**	**2,633**	**1,746**
Insurance service result	**-2,668**	**15**	**2,633**	**-20**
Financial income and expenses and foreign currency differences	2,398	-3	65	2,460
Total changes in the statement of profit and loss	**-270**	**12**	**2,698**	**2,440**
Premiums received	771			771
Claims, investment components and other insurance service expenses paid[1]			-2,568	-2,568
Insurance acquisition cash flows	-7			-7
Cash flows	**764**		**-2,568**	**-1,804**
Transfer to other items in the statement of financial position	-33		29	-4
Balance at 31 December[2]	**34,411**	**55**	**494**	**34,960**
Insurance contracts assets	-3		1	-2
Insurance contracts liabilities	34,414	55	493	34,962

[1] Including Investment components and premium refunds.
[2] The summary of movements does not include mutations on Assets for insurance acquisition cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

The insurance contract liabilities increased with € 632 million. This was mainly due to developments in the financial markets of € 2.5 billion. This was partly offset by decreases due to portfolio developments (balance of premiums and benefits) of € 1.8 billion. The decrease of insurance service revenues and expenses is in line by expectations and result from portfolio changes.

On Friday 16 February 2024, Achmea reached an agreement with the interest groups on a final settlement for customers with an unit-linked insurance policy. The settlement will be final if 90% of affiliated customers agree. Achmea is reserving an amount of € 60 million for the settlement agreement. In addition, an additional reservation of € 25 million has been made for poignant cases ('schrijnende gevallen') not affiliated with one of the interest groups (see also Note 33 Subsequent Events). These amounts are included in liabilities related to Life insurance contracts (Liability for incurred claims) as of 31 December 2023.

MOVEMENTS IN TOTAL INSURANCE CONTRACTS - LIFE 2022

(€ MILLION)

	LIABILITIES FOR REMAINING COVERAGE			
	EXCLUDING LOSS COMPONENT	LOSS COMPONENT	LIABILITIES FOR INCURRED CLAIMS	TOTAL
Insurance contracts assets	-8			-8
Insurance contracts liabilities	46,112	23	262	46,397
Balance at 1 January	**46,104**	**23**	**262**	**46,389**
Revenue from contracts under the Full retrospective approach	-37			-37
Revenue from contracts under the Fair value approach	-1,695			-1,695
Revenue from regular contracts	-131			-131
Insurance service revenue	**-1,863**			**-1,863**
Incurred benefits & claims and other insurance service expenses			1,801	1,801
Amortisation of insurance acquisition cash flows	6			6
Adjustments to liabilities for incurred claims			-59	-59
Losses and reversal of losses on onerous contracts		22		22
Investment components and premium refunds	-1,228		1,228	
Insurance service expenses	**-1,222**	**22**	**2,970**	**1,770**
Insurance service result	**-3,085**	**22**	**2,970**	**-93**
Financial income and expenses	-9,843			-9,843
Total changes in the statement of profit and loss	**-12,928**	**22**	**2,970**	**-9,936**
Premiums received	784			784
Claims, investment components and other insurance service expenses paid[1]			-2,897	-2,897
Insurance acquisition cash flows	-9			-9
Cash flows	**775**		**-2,897**	**-2,122**
Transfer to other items in the statement of financial position	-1	-2		-3
Balance at 31 December[2]	**33,950**	**43**	**335**	**34,328**
Insurance contracts assets	-4			-4
Insurance contracts liabilities	33,954	43	335	34,332

1 Including Investment components and premium refunds.
2 The summary of movements does not include mutations on Assets for insurance acquisition cash flows.

The insurance contract liabiltiies decreased with € 12.0 billion. This was mainly due to developments in the financial markets of € 9.8 billion. This was offset by decreases due to portfolio developments (balance of premiums and benefits) of € 2.1 billion. The decrease of insurance service revenue and expenses are in line by expectations and result from portfolio changes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

MOVEMENTS IN INSURANCE CONTRACTS VALUED AT GMM AND VFA - LIFE 2023

(€ MILLION)

			CONTRACTUAL SERVICE MARGIN			
	ESTIMATES OF PRESENT VALUE OF FUTURE CASH FLOWS	RISK ADJUSTMENT	CONTRACTS UNDER FAIR VALUE APPROACH	OTHER CONTRACTS	TOTAL CSM	TOTAL
Insurance contracts assets	-4					-4
Insurance contracts liabilities	32,516	716	1,061	39	1,100	34,332
Balance at 1 January	**32,512**	**716**	**1,061**	**39**	**1,100**	**34,328**
Changes in the statement of profit or loss and other comprehensive income						
Changes that relate to current services	**135**	**-65**	**-55**	**-6**	**-61**	**9**
CSM recognised for services provided	-2	1	-55	-6	-61	-62
Change in the risk adjustment for non-financial risk		-72				-72
Experience adjustments	137	6				143
Changes that relate to future services	**-66**	**64**	**26**	**6**	**32**	**30**
Contracts initially recognised	-3	1	3	9	12	10
Changes in estimates that adjust the CSM	-88	60	30	-2	28	
Changes in estimates that result in losses and reversal of losses on onerous contracts	25	3	-7	-1	-8	20
Changes that relate to past services	**-59**					**-59**
Adjustments to liabilities for incurred claims	-59					-59
Insurance service result	**10**	**-1**	**-29**		**-29**	**-20**
Financial income and expenses and foreign currency differences	2,450	4	6		6	2,460
Total changes in the statement of profit and loss and other comprehensive income	**2,460**	**3**	**-23**		**-23**	**2,440**
Premiums received	771					771
Claims, benefits and other insurance service expenses paid[1]	-2,568					-2,568
Insurance acquisition cash flows	-7					-7
Cash flows	**-1,804**					**-1,804**
Transfer to other items in the statement of financial position	-4	1	-1		-1	-4
Balance at 31 December[2]	**33,164**	**720**	**1,037**	**39**	**1,076**	**34,960**
Insurance contracts assets	-3	1				-2
Insurance contracts liabilities	33,167	719	1,037	39	1,076	34,962

[1] Including Investment components and premium refunds.
[2] The summary of movements does not include mutations on Assets for insurance acquisition cash flows.

There is a slight increase in CSM due to new contracts (2023: € 12 million; 2022: € 17 million) and therefore this impact is not disclosed. The experience adjustments total € 143 million (2022: € 72 million). This increase is a result of adjustments within the Life business. Changes in estimates that adjust the CSM of total CSM are € 28 million (2022: € -283 million) and increase due to changes in assumptions in 2022.

For further information please refer to the disclosure of the Movements in total insurance contracts – Life 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

MOVEMENTS IN INSURANCE CONTRACTS VALUED AT GMM AND VFA - LIFE 2022

(€ MILLION)

			CONTRACTUAL SERVICE MARGIN			
	ESTIMATES OF PRESENT VALUE OF FUTURE CASH FLOWS	RISK ADJUSTMENT	CONTRACTS UNDER FAIR VALUE APPROACH	OTHER CONTRACTS	TOTAL CSM	TOTAL
Insurance contracts assets	-8					-8
Insurance contracts liabilities	43,851	1,149	1,384	13	1,397	46,397
Balance at 1 January	**43,843**	**1,149**	**1,384**	**13**	**1,397**	**46,389**
Changes in the statement of profit or loss and other comprehensive income						
Changes that relate to current services	**72**	**-73**	**-52**	**-3**	**-55**	**-56**
CSM recognised for services provided		-1	-52	-3	-55	-56
Change in the risk adjustment for non-financial risk		-72				-72
Experience adjustments	72					72
Changes that relate to future services	**249**	**46**	**-302**	**29**	**-273**	**22**
Contracts initially recognised	-16	3	1	16	17	4
Changes in estimates that adjust the CSM	245	38	-296	13	-283	
Changes in estimates that result in losses and reversal of losses on onerous contracts	20	5	-7		-7	18
Changes that relate to past services	**-59**					**-59**
Adjustments to liabilities for incurred claims	-59					-59
Insurance service result	**262**	**-27**	**-354**	**26**	**-328**	**-93**
Financial income and expenses and foreign currency differences	-9,468	-406	31		31	-9,843
Total changes in the statement of profit and loss and other comprehensive income	**-9,206**	**-433**	**-323**	**26**	**-297**	**-9,936**
Premiums received	784					784
Claims, benefits and other insurance service expenses paid[1]	-2,897					-2,897
Insurance acquisition cash flows	-9					-9
Cash flows	**-2,122**					**-2,122**
Transfer to other items in the statement of financial position	-3					-3
Balance at 31 December[2]	**32,512**	**716**	**1,061**	**39**	**1,100**	**34,328**
Insurance contracts assets	-4					-4
Insurance contracts liabilities	32,516	716	1,061	39	1,100	34,332

1 Including Investment components and premium refunds.
2 The summary of movements does not include mutations on Assets for insurance acquisition cash flows.

For an explanation of the Movements in Insurance Contracts Valued at GMM and VFA - Life 2022, see the notes included under the Movements in Total Insurance Contracts - Life 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Analysis of Outward reinsurance contracts held

The tables included below show how the carrying values of outgoing reinsurance contracts change as a result of cash flows and the recognition of revenues and expenses in the statement of profit and loss. At the aggregate level, a table is included with an analysis of the changes in liabilities for cash flows necessary to meet the liabilities after the balance sheet date and the changes in liabilities for claims that occurred before the balance sheet date and their reconciliation to the income statement. The table includes the total of the reinsurance contracts of Non-life, Health and Life.

For portfolios valued according to GMM or VFA, an analysis of the development of expected future cash flows, Risk Adjustment and CSM is also included. This table relates only to Life.

For an explanation of exposure to credit risk, see Note 29 Credit Quality of Financial Assets.

For an explanation of the assumptions and estimates and policies of the Liabilities related to (re)insurance contracts, see Note 34 Notes to the transition to IFRS 9/17.

MOVEMENTS OF TOTAL OUTWARD REINSURANCE CONTRACTS HELD ASSETS 2023

(€ MILLION)

	REINSURANCE ASSETS FOR REMAINING COVERAGE		REINSURANCE ASSETS FOR INCURRED CLAIMS			
			GMM	PAA		
	EXCLUDING LOSS-RECOVERY COMPONENT	LOSS-RECOVERY COMPONENT	ESTIMATES OF PRESENT OF VALUE OF FUTURE CASH FLOWS	ESTIMATES OF PRESENT OF VALUE OF FUTURE CASH FLOWS	RISK ADJUSTMENT	TOTAL
Reinsurance contracts held assets	26	4	22	716	12	780
Balance at 1 January	**26**	**4**	**22**	**716**	**12**	**780**
Changes in the statement of profit and loss and other comprehensive income						
Recoveries of incurred claims and other income from reinsurance services		3	19	784	21	827
Premiums and other charges from reinsurance services	-398					-398
Net result from reinsurance contracts	**-398**	**3**	**19**	**784**	**21**	**429**
Financial income and expenses and foreign currency differences	2	1		139	10	152
Effect of changes in non-performance risk of reinsurers				-1		-1
Effect of changes in exchange rates	-7	-2		-85	-6	-100
Total changes in the statement of profit and loss and other comprehensive income	**-403**	**2**	**19**	**837**	**25**	**480**
Premiums	395					395
Claims, investment components and other reinsurance service expenses			-35	-531		-566
Cash flows	**395**		**-35**	**-531**		**-171**
Transfer to other items in the statement of financial position	15		-12	-1	2	4
Balance at 31 December	**33**	**6**	**-6**	**1,021**	**39**	**1,093**
Reinsurance contracts held assets	33	6	-6	1,021	39	1,093

The main increase in Reinsurance Assets for Incurred Claims for Non-Life PAA in 2023 relates to the earthquake in Turkey and floods and forest fires in Greece. Financing income and expense in 2023 includes a positive foreign exchange result on contracts in Turkey.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

MOVEMENTS OF TOTAL OUTWARD REINSURANCE CONTRACTS HELD ASSETS 2022

(€ MILLION)

	REINSURANCE ASSETS FOR REMAINING COVERAGE		REINSURANCE ASSETS FOR INCURRED CLAIMS			
			GMM	PAA		
	EXCLUDING LOSS COMPONENT	LOSS-RECOVERY COMPONENT	ESTIMATES OF PRESENT OF VALUE OF FUTURE CASH FLOWS	ESTIMATES OF PRESENT OF VALUE OF FUTURE CASH FLOWS	RISK ADJUSTMENT	TOTAL
Reinsurance contracts held assets	79	1		567	20	667
Balance at 1 January	**79**	**1**		**567**	**20**	**667**
Changes in the statement of profit and loss and other comprehensive income						
Recoveries of incurred claims and other income from reinsurance services		2	22	291	-4	311
Premiums and other charges from reinsurance services	-363					-363
Net result from reinsurance contracts	**-363**	**2**	**22**	**291**	**-4**	**-52**
Financial income and expenses and foreign currency differences	-8	1		-17	-1	-25
Effect of changes in non-performance risk of reinsurers				-2		-2
Effect of changes in exchange rates	3			-11	-3	-11
Total changes in the statement of profit and loss and other comprehensive income	**-368**	**3**	**22**	**261**	**-8**	**-90**
Premiums	330					330
Claims, investment components and other reinsurance service expenses			-15	-112		-127
Cash flows	**330**		**-15**	**-112**		**203**
Transfer to other items in the statement of financial position	-15		15			
Balance at 31 December	**26**	**4**	**22**	**716**	**12**	**780**
Reinsurance contracts held assets	26	4	22	716	12	780

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

MOVEMENTS OF OUTWARD REINSURANCE CONTRACTS HELD ASSETS VALUED AT GMM - LIFE 2023

(€ MILLION)

			CONTRACTUAL SERVICE MARGIN			
	ESTIMATES OF PRESENT VALUE OF FUTURE CASH FLOWS	RISK ADJUSTMENT	CONTRACTS UNDER FAIR VALUE TRANSITION APPROACH	OTHER CONTRACTS	TOTAL CSM	TOTAL
Reinsurance contracts held assets	56					56
Balance at 1 January	**56**					**56**
Changes in the statement of profit or loss						
Changes that relate to current services	**1**					**1**
Experience adjustments	1					1
Changes that relate to future services	**-1**					**-1**
Contracts initially recognised in the year	-1		1		1	
Changes in estimates that adjust the CSM			-1		-1	-1
Net insurance service result from reinsurance contracts	**0**		**0**		**0**	**0**
Financial income and expenses and foreign currency differences	2					2
Total changes in the statement of profit and loss	**2**					**2**
Premiums paid				1	1	1
Claims & benefits and other reinsurance service received	-35					-35
Total cash flows	**-35**			**1**	**1**	**-34**
Transfer to other items in the statement of financial position	3					3
Balance at 31 December	**26**			**1**	**1**	**27**
Reinsurance contracts held assets	26			1	1	27

Reinsurance contracts valued at GMM decreased on balance by € 29 million, this is mainly due to the settlement of € 35 million for Dutch reinsurance contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

MOVEMENTS OF OUTWARD REINSURANCE CONTRACTS HELD ASSETS VALUED AT GMM - LIFE 2022

(€ MILLION)

			CONTRACTUAL SERVICE MARGIN			
	ESTIMATES OF PRESENT VALUE OF FUTURE CASH FLOWS	RISK ADJUSTMENT	CONTRACTS UNDER FAIR VALUE TRANSITION APPROACH	OTHER CONTRACTS	TOTAL CSM	TOTAL
Reinsurance contracts held assets	68					68
Balance at 1 January	**68**					**68**
Changes in the statement of profit or loss						
Changes that relate to current services	**-6**		**-4**	**-4**	**-8**	**-14**
CSM recognised for services provided			-4	-4	-8	-8
Experience adjustments	-6					-6
Changes that relate to future services	**-4**			**4**	**4**	
Contracts initially recognised in the year	-4			4	4	
Changes that relate to past services	6					6
Adjustments to assets for incurred claims	6					6
Net insurance service result from reinsurance contracts	**-4**		**-4**		**-4**	**-8**
Financial income and expenses and foreign currency differences	-5					-5
Total changes in the statement of profit and loss	**-9**		**-4**		**-4**	**-13**
Premiums paid	16					16
Claims & benefits and other reinsurance service received	-16		1		1	-15
Investment components	-3		3		3	
Total cash flows	**-3**		**4**		**4**	**1**
Balance at 31 December	**56**					**56**
Reinsurance contracts held assets	56					56

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

KEY ASSUMPTIONS AND ESTIMATES WHEN ASSESSING THE MEASUREMENT OF LIABILITIES AND ASSETS RELATED TO INSURANCE/REINSURANCE CONTRACTS

Where possible, Achmea uses observable market variables and models/techniques which are commonly used in the industry. The assumptions for non-observable market variables used are based on a combination of experiences within Achmea and market benchmarks, such as those supplied by the statistics department of the Dutch Association of Insurers, the Dutch Society of Actuaries and comparable institutions in Europe.

Insurance contracts are valued based on the following building blocks which are explained below in the following sections:
I Estimate of future cash flows
II Discount curve for present value calculation
III Risk Adjustment
IV Contractual Service Margin (CSM)

The fulfilment cash flows consist of building blocks I to III and represent the settlement of the obligations from the insurance contract with the policyholder. Building block IV, the CSM, represents Achmea's future service fee from the insurance contract. See accounting policies liabilities and assets related to insurance/reinsurance contracts.

I Estimates of future cash flows

General

When estimating future cash flows at balance sheet date, Achmea uses all information available without undue cost or effort up to the date of preparation of the financial statements. The information used includes both internal and external historical data on claims and other experiences to determine expectations about future events. Achmea primarily uses deterministic modelling techniques that are used for cash flows with limited complexity without options, guarantees or non-linear relationships.

Achmea also uses stochastic modelling techniques to estimate the expected value of insurance liabilities. The input is a large number of scenarios with various market variables such as interest rates and investment income, and underwriting variables such as cash flows and interdependencies between cash flows. The cash flows associated with each scenario are discounted and weighted by their estimated probabilities.

Cash flows within insurance contract boundaries relate directly to the settlement of insurance contracts, including cash flows where Achmea can determine the amount or timing. These directly attributable cash flows are allocated to the groups of insurance contracts to which they relate. If the cash flows are not directly attributable to groups of insurance contracts, they are allocated to the relevant groups using activity-based costing and scaling techniques.

In general, Achmea allocates cash flows for sales and acquisitions to groups of contracts based on the total premiums for each group. Claims handling costs are allocated based on the number of claims for each group and maintenance and administration costs are allocated based on the number of current contracts within each group.

Achmea assesses the extent and completeness of recognised loss liabilities and claims from reinsurance and recourse using a range of loss reserving techniques – for example, the chain ladder and Bornhuetter-Ferguson methods. These techniques assume that Achmea's own claims experience is indicative of future claims development patterns and thus ultimate claims costs.

Insurance contract boundaries

For most Non-life insurance contracts, Achmea can reset the premium or adjust insurance conditions each year when contracts are issued, based on the risks in the specific insurance contracts or insurance portfolios based on assessment of claims experience and expectations regarding development of the relevant risks. This only takes into account risks falling within the contract boundary and does not take into account risks relating to periods after this reassessment date.

For individual disability insurances, the premiums cannot be unilaterally adjusted annually, nor can the contract be terminated by Achmea. These contracts are considered long-term.

Several Life Insurance contracts contain a guaranteed annuity option, where Achmea does not have the right to reset a price for the ingoing annuity with associated risks when the annuity takes effect. This option gives the policyholder the right to receive an annuity at a predetermined rate on the due date of the specified term. The contract boundary of these contracts is defined as the total term of the contract, including the term of the option on the annuity. As a result, the cash flows from the guaranteed annuity option fall within the boundary of the current contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Reinsurance contracts

Achmea enters into both outward and inbound reinsurance contracts. For inbound reinsurance contracts, the general assumptions for estimating cash flows for insurance contracts apply. This section only explains the assumptions for outward reinsurance contracts.

For outward reinsurance contracts, reinsurance cash flows are determined based on modelling of expected cash flows in underlying insurance contracts based on cover issued during the coverage period of the reinsurance contract. The renewal of the majority of mainly non-proportional outward reinsurance contracts takes place annually. During this renewal, new reinsurance contracts are drawn up (separate from the previous contract), with new terms for reinsurance programs, premiums and clauses.

Life

Expected cash flows include estimates of expected premium income and claims, morbidity and mortality, policyholder behaviour, lapse, expenses, inflation and interest.

Mortality tables

In determining fulfilment cash flows, Achmea uses the most recent population mortality tables (AG2022), adjusted for the specific nature and composition of Achmea's insurance base. For products with longevity risk, a percentage adjustment is made to population mortality that is gender- and age-dependent. There are separate tables for pensions and annuities. Short-life risk products use selection factors that are maturity dependent. In addition, a distinction is made between smokers and non-smokers for term-life insurance policies.

Costs and inflation

Cost assumptions are based on expected salary increases and available internal budget information. For the periods for which budgets are not yet available, costs are extrapolated. The inflation curve is based on a European price inflation curve with an adjustment for the difference with Dutch price inflation and an adjustment related to expected labour productivity growth. For the period of 10 to 20 years, a conversion is made to the ECB's long-term target of 2%.

Lapse rates Life business Netherlands

Policyholder behaviour, including redemption and buy out, is a key assumption when valuing life insurance products. The following table shows the minimum and maximum lapse rates used in the lapse assumptions.

	LAPSE %
2023	MINIMUM - MAXIMUM
Life - GMA	0.0 - 13.0
Life - VFA	0.0 - 13.0
2022	
Life - GMA	0.0 - 14.0
Life - VFA	0.0 - 14.0

Non-life

Achmea bases the liability for incurred claims on estimates of expected claims payments.

Expected cash flows for disability insurance include estimates of expected premium income and claims, morbidity and mortality, policyholder behaviour, lapse, expenses, inflation and interest. In determining disability insurance liabilities, recovery probabilities based on averages are taken into account and waiting periods are included.

For some risks, no adequate statistical data are available, such as environmental and asbestos damage claims and large-scale individual claims, because some aspects of these types of claims are still evolving. Liabilities recognised in the balance sheet for such claims have been determined based on a portfolio analysis. In determining the liability for claims incurred, the costs of handling the claim and proceeds from expected recovery rights are taken into account.

Health

The private health insurance system in the Netherlands consists of two components: basic health insurance and supplementary health insurance. Coverage within the basic health insurance system is determined by the government and is influenced by political processes. The basic health insurance system includes (inherent) uncertainties due to the calculation methods used. In the Netherlands, a system of risk mitigating factors is in place to reduce the uncertainties arising from the system. Valuing claims against the Health Insurance Fund is an inherently uncertain process, based on assumptions for national health costs and the allocation of health costs to budget parameters. The contribution from the Health Insurance Fund (including standard nominal premium) and the level of claims are provisional in nature and are likely to change over a number of years and result in a shift between insurers. For more details on the uncertainties and risk mitigating factors for health insurance, please refer to Note 2 Capital and risk management. Any changes in assumptions may affect the settlement with the Dutch government.

For Health insurance liabilities, the simplified measurement model (premium allocation approach, PAA) is applied because the coverage period of these insurance contracts is one year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Insurance liabilities for coverage in future periods (LFRC)

The insurance liabilities for coverage in future periods include the receivable from the Health Insurance Fund, receivables from direct insurance, accounts receivable provisions, premiums received in advance and the loss component. The receivable from the Health Insurance Fund is estimated on a best estimate basis and is predominantly short-term in nature. This receivable has been valued on the basis of the risk equalization model applicable to the relevant claim year and the statutory percentages of equalization and subsequent calculation. Receivables from direct insurance are valued at amortized cost, which is usually equal to the nominal value, less any provisions deemed necessary for possible uncollectability, taking into account the effects of the Structural Measures Act. The loss component is calculated on the basis of estimates for future claims, costs and premiums to be earned (including contributions from the Health Insurance Fund). For the basic insurance this is done per legal entity and for the supplementary insurance this is determined per package (group).

Insurance liabilities for incurred losses(LFIC)

Insurance liabilities for incurred claims include the provision for claims payable, advances provided to healthcare providers and the provision for claims handling expenses. The valuation of liabilities for incurred claims related to insurance contracts is an inherently uncertain process that includes assumptions for changes in legislation, social, economic and demographic trends, policyholder behavior and other factors. In particular, assumptions related to these aspects include morbidity rates and trends therein. Where possible, Achmea uses observable market variables and models/techniques commonly used in the market. Achmea annually assesses the provisions per claim year per care type based on the most recent information at the level of claims, taking into account, among other things, contract agreements made with care providers. The advances to healthcare providers relate to advances made to hospitals and mental health providers in particular for treatments already provided but not declared. The provision for claims handling costs is made for the costs to be incurred in processing claims received and is determined on the basis of a percentage of the insurance liability for claims incurred.

II Discount curve for present value calculation

With the exception of the short-term premium provisions of Health Netherlands cash flows and the short-term premium provisions of Non-life Netherlands, all cash flows are discounted. Achmea's discount curve is composed bottom-up, consisting of a risk-free rate plus an illiquidity spread that is specific for each product group of insurance contracts based on the investment portfolio of the life and pension business. Insurance illiquidity premiums are derived from the spreads that can be earned on Achmea's illiquid, fixed income investments. For insurance contracts (in euros) with a remaining maturity of less than 30 years, the risk-free rate is based on the risk-free swap curve from which a Credit Risk Adjustment in accordance with Solvency II of 10 bps is deducted over the entire curve. For maturities of 30 years and longer, the risk-free curve is determined by extrapolating to an Ultimate Forward Rate (UFR), which as of 31 December 2023 is 2.4% (year-end 2022: 2.8%, year-end 2021: 3.1%), from which a Credit Risk Adjustment is deducted. The UFR reflects long-term real interest rate and inflation expectations and is based on historical data. In addition, the ECB's 2% target inflation rate is taken into account. The UFR is reviewed periodically, and it is expected to decrease further given constant interest rates and inflation. The following table shows the minimum and maximum of the discount curve used to discount cash flows in the currencies most important to Achmea.

MINIMUM AND MAXIMUM YIELD CURVE USED TO DISCOUNT CASH FLOWS OF MAJOR CURRENCIES

2023							SPOT RATES (%)
	1 YEAR	5 YEAR	10 YEAR	15 YEAR	20 YEAR	30 YEAR	50 YEAR
Non-life - PAA							
Euro	3.72 - 4.18	2.67 - 2.70	2.71 - 2.73	2.75 - 2.76	2.67 - 2.69		
Turkish Lira	42.50 - 45.90	24.15 - 41.97	20.46 - 24.03	18.76 - 20.43	17.15 - 18.73		
Non-life - GMM							
Euro	3.72 - 4.18	2.67 - 2.70	2.71 - 2.73	2.75 - 2.76	2.67 - 2.69	2.25 - 2.26	2.24 - 2.24
Health - PAA[1]							
Euro		1.82 - 2.82					
Life Netherlands - General model							
Euro	3.36 - 3.84	2.32 - 2.79	2.39 - 2.84	2.47 - 2.85	2.42 - 2.75	2.19 - 2.48	2.05 - 2.31
Life Netherlands - Variable fee approach							
Euro	3.36 - 3.84	2.32 - 2.79	2.39 - 2.84	2.47 - 2.85	2.42 - 2.75	2.19 - 2.48	2.05 - 2.31

[1] Due to the shorter maturities of Non-life insurance contracts accounted for under the PAA, the minimum and maximum yield curves of Health Insurance are included 2 to 5 years (1 year is not discounted) and the yield curve of Non-life Insurance is included up to 20 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

MINIMUM AND MAXIMUM YIELD CURVE USED TO DISCOUNT CASH FLOWS OF MAJOR CURRENCIES

2022							SPOT RATES (%)
	1 YEAR	5 YEAR	10 YEAR	15 YEAR	20 YEAR	30 YEAR	50 YEAR
Non-life -PAA[1]							
Euro	2.17 - 3.53	3.47 - 3.48	3.39 - 3.40	3.29 - 3.32	3.01 - 3.07		
Turkish Lira	12.32 - 12.32	8.46 - 12.22	8.47 - 10.21	10.24 - 10.77	10.42 - 10.77		
Non-life - GMM							
Euro	2.17 - 3.53	3.47 - 3.48	3.39 - 3.40	3.29 - 3.32	3.01 - 3.07	2.31 - 2.32	2.33 - 2.34
Health - PAA[2]							
Euro							
Life Netherlands - General model							
Euro	3.17 - 3.53	3.13 - 3.47	3.10 - 3.40	3.01 - 3.29	2.75 - 3.01	2.26 - 2.50	2.11 - 2.34
Life Netherlands - Variable fee approach							
Euro	3.17 - 3.53	3.13 - 3.47	3.10 - 3.40	3.01 - 3.29	2.75 - 3.01	2.26 - 2.50	2.11 - 2.34

1 Because of the shorter maturities of Non-life insurance contracts accounted for under the PAA, the minimum and maximum yield curves of Health insurance are included up to 5 years and the yield curve of Non-life insurance is included up to 20 years.
2 Health Insurance cash flows with maturities greater than one year are discounted starting in 2023 due to interest rate trends.

No comparative yield curve has been included for Health - PAA as discounting in 2022, given the low interest rates and short-term nature of the provision, did not have a material effect on the balance sheet position and earnings.

Cash flows based on the proceeds of the underlying financial instruments are adjusted to match the fluctuations of those instruments. This is done using risk-neutral valuation techniques and the discount is applied at a risk-free discount rate increased by an illiquidity premium. When the cash flow is estimated using a stochastic model, that cash flow is discounted at discount rates corresponding to the scenarios computed in the model. Those resulting discount rates are on average equal to interest rate shocks of the risk-free yield plus the illiquidity premium.

III Risk Adjustment

The Risk Adjustment is the allowance for the non-financial risks associated with insurance/reinsurance contracts. This compensation for the uncertainty about size and timing of non-financial cash flows is determined separately for each insurance/reinsurance entity.

The Risk Adjustment of insurance contracts issued is determined both gross before and net after reinsurance using the cost of capital method. Time diversification is also taken into account. Time diversification refers to a factor applied in the calculation of the Risk Adjustment that ensures that the further into the future, the less influence the risks have. By this means, the independence of risks from one year to the next is taken into account. Time diversification is mainly used for long term Dutch non-life-, life- and pension insurance. The Risk Adjustment of outbound reinsurance contracts is equal to the difference between the calculated gross Risk Adjustment of the issued insurance contracts before reinsurance and net after reinsurance. Under the cost of capital method, Achmea determines a cost of capital percentage over the capital required over each report, adjusted for discounting and a surcharge for illiquidity. The solvency capital requirement is calculated with the Solvency II methodology by determining the probability distribution of the present value of cash flows from insurance contracts on each balance sheet date and calculating the capital required for Achmea to meet its obligations from insurance contracts with 99.5% reliability with a 1-year horizon. The Solvency II correlation matrix is used for this. The cost of capital reflects the additional remuneration for non-financial risks. The applied cost of capital is 4.5%.

The Risk Adjustment for non-financial risk is allocated to the groups of insurance/reinsurance contracts based on an analysis of the groups' risk profiles. In determining Risk Adjustment for non-financial risk, diversification benefits from providing different insurance contracts are taken into account in a manner consistent with the compensation required, the risk appetite. The effects of benefits are determined by using a correlation matrix technique.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

The table below shows the confidence levels on a 1-year basis corresponding to the risk adjustments as calculated using the cost of capital method.

NON-LIFE

(%)

	2023	2022
Netherlands	72.1	72.5
Turkey	75.0	75.0
Slovakia	71.7	74.6
Greece	57.0	57.7

LIFE

(%)

	2023	2022
Netherlands	89.7	87.5
Slovakia	71.7	74.6
Greece	79.1	77.4

HEALTH

(%)

	2023	2022
Netherlands	55.3	55.9
Slovakia	71.7	74.6

IV Contractual Service Margin (CSM)

The CSM recognised on the balance sheet represents the unearned consideration of groups of insurance contracts realised with future services. The CSM is recognised in the statement of profit and loss during the coverage period of the insurance contracts, based on the defined coverage units representing the scope of service. Coverage units are assessed and revised annually.

PRODUCT	BASIS ON WHICH THE AMOUNT OF SERVICES PROVIDED ARE DETERMINED
Insurance:	
Death risk insurance	Insured risk capital
Immediate annuities	Insured benefit
Pensions	Insured claims
Traditional savings and life insurance	Insured capital
Collective pension contracts	Insured claims
Disability insurance	Insured claims
Reinsurance:	
Savings insurance	Insured benefit
Quota share	Insured risk capital

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

ACCOUNTING POLICIES LIABILITIES AND ASSETS RELATED TO (RE)INSURANCE CONTRACTS

Insurance risk (re)insurance contracts

Insurance contracts are defined as contracts that transfer significant insurance risk, where the policyholder is compensated for the loss suffered as a result of the insured event. The insurance contract assumes a significant existing insurance risk (prior to the conclusion of the contract) from the policyholder. Lapse and expense risks associated with insurance contracts do not constitute insurance risk. Insurance risk exists if there is a scenario with commercial substance under which, based on an insured event, additional payments have to be made.

Investment contracts

Some contracts entered into by Achmea have the legal form of insurance/reinsurance contracts, but do not carry significant insurance risk. With these contracts, Achmea only accepts a financial risk. These contracts are classified as financial liabilities and under 'Investment contracts'.

Applied measurement model insurance/reinsurance contracts

Insurance contracts are divided into Life, Health, Non-life and reinsurance contracts (outward). Within these product categories, a further subdivision is made according to the measurement model applied:

- General measurement model (GMM) Or general measurement model;
- Variable fee approach (VFA), application of general measurement model for contracts with direct participation features
- Premium allocation approach (PAA), or simplified measurement model.

The Variable fee approach is applied to contracts that meet the following conditions upon initial recognition:

- the contractual terms stipulate that the policyholder participates in a clearly identified pool of underlying investments;
- Achmea expects to pay the policyholder an amount equal to a substantial part of the fair value of the proceeds of the underlying investments;
- Achmea expects that a significant portion of any change in the amounts payable to policyholders will vary according to the change in underlying investments.

See also IV Valuation of contracts according to GMM and VFA.

The simplified measurement model PAA is applied for the insurance contracts where:

- the group's coverage period is one year or less; or
- application of the simplified measurement model (PAA) does not result in a materially different valuation than under the application of the general measurement model.

See also V Valuation – contracts valued under the PAA.

INSURANCE AND REINSURANCE CONTRACTS

I Separation of components of insurance and reinsurance contracts

On initial recognition of an insurance or reinsurance contract, Achmea separated the following components and accounts for them as stand-alone financial instruments to which IFRS 9 applies:

- embedded derivatives whose economic characteristics and risks are not closely related to those of the insurance contract and whose contract terms would not meet the definition of an insurance or reinsurance contract if it were a stand-alone contract; and
- separate investment components that are not highly interrelated with the insurance components and for which contracts with equivalent terms can be sold separately in the same market.

In addition, Achmea separates all obligations to transfer separate goods or services to policyholders that are not related to insurance coverage and accounts for them as separate service contracts to which IFRS 15 applies. The obligation to provide a good or service is separated if the cash flows and risks associated with providing the good or service are not related to the cash flows and risks associated with the insurance component.

Investment components separated

Investment components that are not separated cannot be recognised separately from the underlying insurance contract and are therefore subject to IFRS 17. This investment component is the amount that is paid or repaid to the policyholder under the insurance contract in all circumstances and is independent of the occurrence of an insured event. This is the case, for example, with certain unit-linked products, guarantee insurance and funeral insurance. The investment component that is not separated is part of the valuation of the insurance contract but will not lead to recognition in the statement of profit and loss. The investment component is determined as the surrender value as contractually defined, less any expenses that can be offset and any surrender charges. In traditional pension and life insurance contracts, with and without direct participation features, Achmea identifies an investment component by determining the amount it must repay to the policyholder in all scenarios. This includes all of the scenarios in which an insured event occurs or the contract expires or is terminated.

II Grouping of insurance and reinsurance contracts

Insurance contracts

Upon initial recognition, insurance contracts are aggregated into portfolios of insurance contracts with similar risk profiles, which are also managed together. The grouping of insurance contracts follows the classification under Solvency II as far as possible. Each portfolio is recognised upon initial recognition in annual cohorts (by year of issue), divided into the following three groups based on expected profitability which are not adjusted during the life of the insurance contracts in the group:

- contracts that are loss-making at initial recognition;
- contracts that have no significant probability of becoming loss-making at initial recognition; and
- any remaining contracts in the annual cohort.

Groups of contracts are determined upon initial recognition and their composition is not revised.

Contracts for basic health insurance in the Netherlands are included in the same group because laws and regulations limit the practical ability (of Achmea) to set premiums or other conditions.

An insurance contract will be recognised in a group from the first of the following moments:

- start of the coverage period of the group of contracts (in other words, the period during which Achmea provides services in exchange for premiums within the boundaries of the contract);
- when the first payment from the policyholder becomes due or, if there is no contractual due date, the date when the premium is received from the policyholder; and
- when facts and circumstances indicate that the agreement is onerous and Achmea is bound by a contract.

The insurance/reinsurance contracts, acquired as part of a business combination of entities or business under common management (hereinafter referred to as: business combination) are recognised at the date on which control was acquired (see Chapter 1 General accounting policies, section H Consolidation). This also applies to insurance contracts acquired in the context of a transfer of contracts.

Reinsurance contracts

Grouping of outward insurance contracts also follows the classification under Solvency II as far as possible. Some reinsurance contracts provide cover for underlying insurance contracts included in different groups. In that case, the reinsurance group may consist of a single contract.

A group of outward reinsurance contracts is recognised from the first of the following moments.

- Reinsurance contracts providing proportionate coverage: the date on which an underlying insurance contract is first recognised in the balance sheet. This applies to quota share reinsurance contracts;
- Other outward reinsurance contract: the start of the coverage period of the reinsurance contract.

If Achmea identifies an onerous group of underlying insurance contracts at an earlier date and the related reinsurance contract has already been entered into before that earlier date, the reinsurance contract will be recognised at that earlier date (see the section Reinsurance of onerous underlying insurance contracts in Chapter IV Valuation of contracts according to GMM and VFA) and section V Valuation – contracts valued according to the PAA.

III Contract boundary

The boundaries within which the future cash flows of insurance contracts and reinsurance contracts are defined are explained below:

Insurance contracts

Cash flows are within the contract boundary if they arise from material rights and obligations existing during the reporting period in which Achmea can require the policyholder to pay premiums or in which Achmea has a material obligation to provide services under insurance contracts to the policyholder. This refers to insurance cover including investment services that are not separated as a separate component.

A material obligation to provide services ends when:

- Achmea has the practical ability to reassess the risks of the relevant policyholder and can set a premium or benefit level that fully reflects the risks of the reassessment; or
- Achmea has the practical ability to reassess the risks of the portfolio in which the contract is included and can adjust the premium or insurance terms accordingly. This does not take into account risks relating to periods after this reassessment date.

A contract modification may result in termination of the existing insurance contract and recognition of a new contract (see below Chapter VI Derecognition and changes in the insurance/reinsurance contract).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Reinsurance contracts
Cash flows are within the contract boundary if they arise from material rights and obligations existing during the reporting period in which Achmea is required to pay amounts to the reinsurer or has a material right to receive services from the reinsurer.

A material right to receive insurance services from the reinsurer ends when the reinsurer:
- has the practical ability to reassess the risks transferred to it and can set a premium or benefit level that fully reflects the risks of the reassessment; or
- has the right to terminate the coverage.

In the case of contract modifications in reinsurance contracts, an assessment is made to determine whether there is a new contract (see Section VI Derecognition and changes in the insurance/reinsurance contract below).

IV Valuation of contracts according to GMM and VFA.

Insurance contracts – valuation at initial recognition
At initial recognition, Achmea values a group of insurance contracts as the total of:
(a) the fulfilment cash flows or the expected value of insurance liabilities determined as the present value of expected future cash flows required to settle an insurance contract increased by a Risk Adjustment for non-financial risks; and
(b) the CSM or unearned compensation for future insurance services.

The Risk Adjustment for non-financial risk represents compensation for uncertainty regarding the amount and timing of estimated cash flows arising from non-financial risk.

In a profitable contract, the CSM of a group of insurance contracts represents the future revenues that Achmea realises upon fulfilment of the future services of the insurance contract. Upon initial recognition of a group of insurance contracts, the CSM represents the positive balance of fulfilment cash flows (expected premium income minus expected benefits and expenses) leading to a net-inbound cash inflow.

The fulfilment cash flows are adjusted by any cash flows arising at the date of initial recognition of the group and recognition of amounts previously recognised on the balance sheet in advance of the group's initial recognition, including prepaid acquisition costs. The locked-in discount rate of the CSM is fixed after the annual cohort is closed.

Under IFRS 17, only cash flows for sales and acquisitions made before the recognition of related insurance contracts are presented as separate assets. The recoverability of these assets is assessed periodically. These assets are then included in the carrying amount of the related group of insurance contracts and are recognised in the statement of profit and loss over the coverage period in line with insurance revenues of the related group of insurance contracts.

For groups of insurance contracts acquired as part of a contract transfer or business combination, the compensation received is included in the fulfilment cash flows as premium at the acquisition date. In a business combination, the consideration received is equal to the fair value of the contracts at that date.

Premium payments by policyholders are recognised as premiums received if they are actually received by Achmea. Receipts by intermediaries are not presented as premiums received.

Onerous contract
If the total fulfilment cash flows upon initial recognition in the balance sheet is a net cash outflow, the group of insurance contracts is onerous. In this case, the amount of net cash outflow is recognised as a loss in the statement of profit and loss. This also applies if the contracts were acquired in a business combination, as an adjustment to goodwill or in the statement of profit and loss when there is negative goodwill. The loss component is presented separately as part of insurance liabilities. The loss component is then recognised in the statement of profit and loss as part of insurance expenses over the life of the contract.

Insurance contracts – subsequent measurement
The carrying amount of a group of insurance contracts is determined at each reporting date and equals the sum of insurance liabilities for cover in future periods and insurance liabilities for claims incurred. The insurance liabilities for cover in future periods include (a) the fulfilment cash flows relating to insurance services to be provided based on the insurance contracts in future periods and (b) any remaining CSM at that date. The insurance liabilities for claims incurred include cash flows for claims incurred and related expenses not yet paid, including claims that have occurred but have not yet been reported (IBN(E)R claims).

The measurement of the insurance liabilities flows of a group of insurance contracts at the balance sheet date is based on current estimates of future cash flows, current discount rates and current estimates of the Risk Adjustment for non-financial risk. For measurement of the CSM included under insurance liabilities for cover in future periods of GMM contracts, the historical discount rate (locked-in) is applied per group of insurance contracts.

Changes in fulfilment cash flows are recognised as follows:

- changes in cash flows and Risk Adjustment relating to future services are adjusted to the credit or debit of the CSM (or recognised in the result from insurance-related services if the group of insurance contracts is onerous);
- changes relating to current service or service from previous years are included in insurance-related services in the statement of profit and loss;
- effects of discounting or changes in the discount rate on estimated future cash flows and Risk Adjustment are recognised as financial result from insurance-related services in the statement of profit and loss.

The methodology for calculating the CSM by type of insurance contracts is explained below.

Insurance contracts without direct participation features

The carrying amount of the CSM at each balance sheet date is equal to the carrying amount at the beginning of the year, adjusted for:

- the CSM of new insurance contracts added to the group of insurance contracts in the year;
- the unwinding of discount of the CSM during the year, at the fixed discount rate per group determined on initial recognition;
- changes in fulfilled cash flows relating to future services (see below), except for:
  a) any increase in outward fulfilment cash flows that exceed the CSM. In that case, a loss component is created and accounted for in the statement of profit and loss; or
  b) any decreases in outward fulfilment cash flows allocated to the loss component, reversing losses previously recognised in the statement of profit and loss;
- the effect of any exchange rate differences on the CSM; and
- the amount recognised as insurance revenue in the statement of profit and loss for insurance services provided in the year.

Changes in the fulfilment cash flows relating to future services that adjust the CSM:

- experience adjustments, arising from premiums received in the year, relating to cash flows related to future services, discounted at the discount rates determined at initial recognition;
- changes in estimates of the present value of future cash flows in insurance liabilities for cover in future periods, discounted at the discount rates determined upon initial recognition of the CSM;
- differences between an investment component that is not separated and not expected to be payable in the year and the actual amount payable in the year;
- differences between a loan to a policyholder expected to be repaid in the year and the actual amount to be repaid in the year; and
- changes in the Risk Adjustment for non-financial risks related to future services. Achmea separates the discounting effect and changes in the Risk Adjustment, with the discounting effect recognised in the financial result.

Changes in cash flows associated with changes in discretionary commitments are deemed to relate to future service and adjust the CSM accordingly.

Unwinding of discount of insurance liabilities for cover in future periods, changes in discount rate and other financial risk and changes in the effect of time value of money of future financial options and guarantees are not recognised in the CSM, but in the statement of profit and loss as part of financial result from insurance-related services.

Insurance contracts with direct participation features (Variable fee approach)

Insurance contracts with direct participation features are contracts for which Achmea's obligation to the policyholder is the balance of:

- the obligation to pay the policyholder an amount equal to the fair value of the underlying investment portfolio; and
- a variable fee for Achmea in exchange for future services from the insurance contracts included under CSM. The variable remuneration comprises the amount of Achmea's share of the fair value of the underlying investment portfolio less the fulfilment cash flows that do not vary based on returns from the underlying investment portfolio, such as options and guarantees issued by Achmea. The service fee is both for insurance cover and a fee for investment portfolio management or options and guarantees provided where an investment return is agreed upon based on the underlying investment portfolio.

When making a valuation of a group of insurance contracts with direct participation features, Achmea adjusts the fulfilment cash flows for changes in the obligation to pay policyholders an amount equal to the fair value of the underlying investment portfolio. These changes do not relate to future services and are recognised in the statement of profit and loss under the financial result from insurance-related services. Achmea then adjusts the CSM for any changes in Achmea's share of the fair value of the underlying items less costs to meet options and guarantees issued that relate to future services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

The carrying amount of the CSM at each balance sheet date is the carrying amount at the beginning of the year, adjusted for:
- the CSM of new contracts added to the group in the year;
- the change in the amount of Achmea's share of the fair value of the underlying investment portfolio and changes in the fulfilment cash flows relating to future services, except to the extent that:
  a) Achmea has applied the risk mitigation option in which changes in the effect of financial risk on the amount of its share in the underlying investment portfolio or fulfilment cash flows are not adjusted on the CSM (see section Risk mitigation below);
  b) decrease in Achmea's share of the fair value of the underlying investment portfolio, or an increase in fulfilment cash flows relating to future services, exceeds the carrying amount of the CSM, resulting in a loss on the income statement being recognised in costs from insurance-related services and creating a loss component (see VII Presentation);
  c) an increase in the amount of Achmea's share of the fair value of the underlying investment portfolio, or a decrease in cash flows in the fulfilment cash flows relating to future services, which is allocated to the loss component, reversing losses previously recognised in the statement of profit and loss (in the costs of insurance-related services) (see VII Presentation);
  d) the effect of any exchange rate differences on the CSM; and
  e) the amount recognised as revenue from insurance-related services for services rendered in the year (see VII Presentation).

Risk mitigation

Achmea uses derivatives to mitigate interest rate risk arising from interest rate guarantees in its life and pension products. This aligns the resulting interest rate risk with the interest rate risk mitigation objective described in Note 2 Capital and risk management – Market risk. A hedging relationship exists between the insurance contracts and the risk-mitigating instruments. For the insurance contracts under the Variable fee approach for which the interest rate risk is mitigated through interest rate derivatives, the change in value of Achmea's share of the change in value of the underlying financial instruments or the fulfilment cash flows that do not vary based on returns from the underlying investment portfolio are recognised in the statement of profit and loss and not in the CSM.

Reinsurance contracts

For the valuation of reinsurance contracts, Achmea applies the same accounting policies as for insurance contracts without direct participation features, together with the following adjustments.

The carrying amount of a group of reinsurance contracts at each balance sheet date is the sum of assets from reinsurance contracts covering future claims and assets from reinsurance contracts covering incurred claims. Assets from reinsurance contracts to cover future claims include the reinsurer's share presented under (a) the fulfilment cash flows related to services to be received in future periods and (b) any remaining CSM at that date.

Achmea values estimates of the present value of future cash flows based on assumptions that are consistent with the estimates used to determine the present value of future cash flows of the underlying insurance contracts, with an adjustment for the credit risk of the reinsurer not fulfilling its obligations. The effect of the reinsurer's credit risk and the effect of changes to it are recognised in the statement of profit and loss at each balance sheet date under insurance result. The Risk Adjustment represents the extent of non-financial risk transferred by Achmea to the reinsurer.

On initial recognition, the CSM of a group of reinsurance contracts is equal to the net cost or net income on the reinsurance purchased (if the underlying insurance contracts are not onerous) valued as the total of:
- the fulfilment cash flows;
- amounts previously recognised relating to the group of reinsurance contracts;
- any cash flows arising at that time; and
- any income recognised in the statement of profit and loss as a result of onerous underlying contracts recognised at that date (see 'Reinsurance of onerous underlying insurance contracts' below).

If the net costs of the reinsurance contract relate to an insured event that occurred prior to the starting date of the group of reinsurance contracts, these insurance costs will be recognised in the statement of profit and loss, unless the reinsurance contract covers uncertainty regarding the financial settlement of an event that has already occurred.

The carrying amount of the CSM at each balance sheet date is the carrying amount at the beginning of the year adjusted for:
- the CSM of new contracts added to the group in the year;
- interest added to the carrying amount of the CSM during the year, discounted at the discount rates on nominal cash flows determined at initial recognition;
- revenue recognised in the statement of profit and loss in the year on initial recognition of onerous underlying contracts (see below);
- reversals of the loss component insofar as there are no changes in the fulfilment cash flows of the group of reinsurance contracts (see section Net expenses from reinsurance contracts in Chapter VII Presentation below);

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

- changes in the fulfilment cash flows relating to future service provision discounted at the discount rates determined at initial recognition. This does not apply if the changes result from changes in the fulfilment cash flows of onerous underlying contracts (which do not adjust the CSM) that have been recognised in the statement of profit and loss and create or adjust a loss component;
- the effect of any exchange rate differences on the CSM; and
- the amount recognised in the statement of profit and loss due to services received in the year.

Reinsurance of onerous underlying insurance contracts

Achmea adjusts the CSM of a reinsurance contract and recognises a (re)insurance gain when it recognises a loss on initial recognition of onerous underlying contracts. The condition is that the reinsurance contract is concluded no later than the time when the loss-making underlying insurance contracts are recognised in the balance sheet. The adjustment of the CSM is determined by multiplying the following elements:

- the loss relating to the underlying insurance contracts; and
- the percentage of the claims or benefits of the underlying insurance contracts that Achmea expects to recover from the reinsurer.

If a reinsurance contract covers only part of the insurance contracts included in an onerous group of contracts, Achmea uses a systematic and rational method to determine the portion of losses recognised on the onerous group that relates to underlying contracts covered by the reinsurance contract.

For the group of reinsurance contracts, based on the valuation of underlying groups of onerous insurance contracts, a loss component is recognised and adjusted for subsequent measurement. This loss component is presented in the statement of profit and loss as recovery of losses from reinsurance contracts. This component is not included in the allocation to premiums paid (see Net cost from reinsurance contracts under VII Presentation).

V Valuation of contracts according to the PAA

For Health and Non-Life insurance (excluding individual disability insurance), Achmea applies the PAA method to simplify the valuation of groups of insurance contracts as the following criteria are met upon recognition in the balance sheet.

For insurance contracts:

- the group's coverage period is one year or less; or
- application of the simplified measurement model (PAA) does not result in a materially different valuation than under the application of the general measurement model.

For the reinsurance contracts, the following applies:

- The coverage period of each contract is one year or less. This applies to loss-occurring reinsurance;
- Application of the simplified measurement model (for risk attaching reinsurance contracts) does not result in a materially different valuation than under application of the general measurementn model. When comparing different measurement methods, Achmea considers the impact of the different release patterns of reinsurance contracts for covering future claims and the impact of discounting. If significant variability is expected in fulfilment cash flows before a claim is filed, this criterion is not met.

Initial recognition and subsequent measurement

Upon initial recognition of each group of insurance contracts, the carrying amount of the insurance liabilities for coverage in future periods is equal to the premiums received upon initial recognition less any cash flows arising from acquisition costs (unless these are recognised directly in result), and adjusted for acquisition cash flows that occurred in previous periods and are attributable to that group.

Under IFRS 17, only cash flows for sales and acquisitions made before the recognition of related insurance contracts are presented as separate assets. The recoverability of these assets is assessed periodically. These assets are then included in the carrying amount of the related group of insurance contracts and are recognised in the statement of profit and loss over the coverage period in line with insurance revenues of the related group of insurance contracts. The exception to this are acquisition costs related to short-term contracts in Greece, which are charged directly to the income statement.

The carrying amount of the insurance liabilities for coverage in future periods is then increased by all premiums received and amortisation of cash flows for insurance acquisition recognised as expenses. This amortisation and any additional cash flows for insurance acquisitions allocated after initial recognition reduce the amount recognised as insurance revenue for services rendered (see VII Presentation).

If, at any time during the coverage period, facts and circumstances show that a group of insurance contracts is onerous, then a loss component is formed which increases the insurance liabilities for coverage in future periods to the level of estimate of the fulfilment cash flows of the insurance liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Achmea recognises insurance liabilities for claims incurred from a group of insurance contracts against fulfilment cash flows in respect of claims incurred. The liability relates to estimates for future cash flows due to reported claims. In addition, an estimate is made for claims incurred at the balance sheet date that have not yet been reported (IBN(E)R). With the exception of the short-term premium liabilities of the cash flows of Health Netherlands and the short-term premium provisions of Non-life Netherlands, all cash flows are discounted. For the Health component, the fulfilment cash flows of the incurred claims are not discounted due to the short settlement period, unless the settlement period exceeds 12 months.

Reinsurance contracts
Achmea applies the same accounting policies for the valuation of groups of reinsurance contracts, adjusted where necessary to reflect differences relative to insurance contracts and with an adjustment for credit risk to the reinsurer.

If a loss recovery component is recognised for a group of reinsurance contracts valued under the PAA, Achmea adjusts the carrying amount of assets from reinsurance contracts to cover future claims. See the section Reinsurance of loss-making underlying insurance contracts under Chapter IV Valuation of contracts according to GMM and VFA.

VI Derecognition and changes in the insurance/reinsurance contract

Achmea derecognises a contract when the contract expires, all obligations have been met or when the contract has been terminated; in other words, when the obligations specified in the contract have expired or been met or terminated.

Achmea also derecognises a contract if the terms change in such a way that recognition in the balance sheet and income statement would have been significantly different than if the new terms had always existed. In that case, a new contract based on the changed terms is recognised in the balance sheet. Significant changes include a change in scope, separating into components of an insurance/reinsurance contract, change in the contract boundary or grouping of insurance contracts. If a contract change does not result in a removal from the balance sheet, Achmea accounts for the change in cash flows as a change in estimates of fulfilment cash flows.

Upon derecognition of a contract in a group of contracts that is valued at GMM or VFA:
- the fulfilment cash flows allocated to the contracts are adjusted to remove the cash flows of the derecognised rights and obligations;
- the CSM of the group of insurance contracts is adjusted for the change in fulfilment cash flows, except when the changes are attributed to a loss component; and
- the number of coverage units for expected remaining insurance services is adjusted for coverage units that are no longer included in the group of insurance contracts (see VII Presentation).

If a contract is derecognised because the contract is transferred to a third party, the CSM is also adjusted for the premium charged by the third party, unless the group of insurance contracts is on an onerous basis.

If a contract is no longer included because its terms are changed, the CSM is also adjusted to the premium that would have been charged if Achmea had entered into a contract with the terms of the new contract on the date of change, less any additional premiums charged before the change. The newly included contract is valued on the assumption that, on the date of change, Achmea received the premium it would have charged for a contract with similar terms, less the additional premium charged before the change.

VII Presentation

Portfolios of insurance contracts and reinsurance contracts, which are assets and liabilities, are presented separately in the statement of financial position.

The insurance liabilities are further separated into insurance liabilities for coverage in future periods and insurance liabilities for claims incurred. Reinsurance contracts are broken down into assets from reinsurance contracts covering future claims and assets from reinsurance contracts covering incurred claims.

Achmea breaks down amounts recognised in the statement of profit and loss into:
- Insurance result, consisting of revenues and expenses from insurance-related services and the insurance result from reinsurance contracts; and
- Net financial result from insurance/reinsurance contracts, consisting of the Investment result from insurance/reinsurance activities and the Financial result from insurance/reinsurance contracts.

Achmea separates the changes in Risk Adjustment for non-financial risk between Insurance result and Net financial result from insurance/reinsurance activities.

Revenues and expenses from insurance-related services exclude investment components and are recognised as described below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Insurance revenue – contracts valued under the GMM and VFA

Insurance revenues are realised to the extent that services arising from the insurance contract are met. For contracts valued under the GMM and VFA, insurance revenue from insurance services provided represents the total of the changes in insurance liabilities for coverage in future periods. This comprises:

- a release of the CSM, determined based on allocated coverage units (see 'Release of the CSM' below);
- changes in the Risk Adjustment for non-financial risk relating to the current period;
- the release from insurance liabilities for coverage in future periods for claims, benefits and other insurance costs expected at the beginning of the year.

In addition, Achmea allocates – systematically, based on the passage of time – premiums to cover acquisition costs allocated to insurance liabilities for coverage in future periods. Achmea recognises the amount allocated, discounted on initial recognition of the group of contracts, as insurance revenue and an equal amount under insurance-related amortisation of acquisition costs.

Release of the CSM

The CSM of a group of insurance contracts is recognised in the statement of profit and loss as insurance revenue during the coverage period of the insurance contracts. The allocation by period is based on the defined coverage units representing the scope of service. This takes into account for each contract the amount of benefits provided and the expected coverage period. Coverage units are assessed and updated at each balance sheet date. The methodology is further detailed in IV Contractual Service Margin (CSM).

The services, provided based on insurance contracts, include insurance cover and, for policies with direct participation features, investment services to manage the underlying investment portfolio on behalf of policyholders. In addition, Life contracts without direct participation features may also have investment services attached to them. This does not apply to contracts for which:

- there is an investment component that is not separated or the policyholder has the right to withdraw an amount (e.g. the policyholder's right to receive a surrender value upon cancellation of a contract);
- the investment component or amount that can be drawn down is expected to include an investment return; and
- Achmea carries out investment activities to generate that investment return.

The expected coverage period reflects expectations of contract lapses and cancellations, as well as the likelihood of insured events occurring to the extent that they would affect the expected coverage period. The period of investment services ends no later than the date on which all amounts due to current policyholders in respect of those services are paid.

Insurance revenue – Contracts valued under the PAA

For contracts valued under the PAA, insurance revenue for each period is the amount of expected premium receipts for services. Achmea allocates expected premium income time-proportionally to each period. Some Catastrophe reinsurance contracts have a seasonal pattern. For these contracts, the premium income is allocated to the period according to this seasonal pattern.

Loss components

For contracts that are valued according to the general model, Achmea recognises a loss component for onerous groups of insurance contracts. The loss component of insurance liabilities for coverage in future periods is presented separately in the insurance contracts statement of movements.

The change in the loss component is then presented in the statement of profit and loss as accruals/reversals of losses on onerous contracts. When fulfilment cash flows are realised, they are allocated between the loss component and insurance liabilities for coverage in future periods in a systematic manner. For this purpose, the proportion of the loss component to the total estimate of the present value of future cash outflows plus the Risk Adjustment for non-financial risk (or at initial recognition if a group of contracts is recognised for the first time in the year) is determined on a systematic basis at the beginning of each year. If the loss component is reduced to zero, any excess over the amount allocated to the loss component within the overall measurement model creates a CSM for the group of contracts.

Changes in the fulfilment cash flows relating to future services and changes in Achmea's share in the fair value of the underlying investment portfolio are attributed solely to the loss component.

Within the PAA model, the loss component is included as the component of insurance liabilities for cover in future periods. If the loss component is reduced to zero, the movement is recognised within the insurance liabilities for coverage in future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Insurance-related costs

Insurance-related costs arising from insurance contracts are generally recognised in the statement of profit and loss when incurred. Repayments of investment components that are not separated are not recognised as insurance-related costs. Insurance-related costs include:

- claims incurred and other insurance service costs – for some life contracts, claims incurred include premiums waived, for example, in the event of disability or incapacity;
- amortisation of acquisition cash flows: this amount is equal to the allocated amount recognised as part of insurance revenue;
- losses on onerous contracts and reversals of these losses;
- adjustments to liabilities for incurred claims that do not result from the effects of discounting and changes in the discount curve;
- impairment losses on assets from insurance acquisition cash flows and reversals of these losses.

Net result from reinsurance-related contracts

The expected net cost of reinsurance contracts includes an allocation of reinsurance premiums paid less the pre-estimated compensation recoverable from reinsurers.

Achmea recognises allocated reinsurance premiums in the statement of profit and loss in proportion to the expected receipts of services arising from reinsurance contracts.

For a group of reinsurance contracts that compensate loss-making underlying insurance contracts, Achmea recognises a gain for the compensation Achmea expects to receive from the reinsurer for the insured loss component of the underlying insurance contract:

- on initial recognition of the onerous underlying contracts, if the reinsurance contract relating to those underlying contracts was entered into before or at the same time as those underlying contracts are recognised; and
- in the event of changes in the fulfilment cash flows of the group of reinsurance contracts that relate to future services, leading to changes in the fulfilment cash flows of underlying onerous contracts.

Net financial result from insurance/reinsurance-related services

The net financial result from insurance/reinsurance activities includes changes in the carrying amount of groups of insurance and reinsurance contracts, arising from the effects of discounting and changes in the discount curve, unless such changes for groups of insurance contracts with direct participation futures are attributed to a loss component and are included in the cost of insurance-related services. The net financial result from insurance/reinsurance activities also includes changes in the valuation of groups of contracts due to changes in the value of the underlying investment portfolio (excluding additions and withdrawals). The Net financial result from insurance/reinsurance activities is recognised in the statement of profit and loss under Financial result from insurance/reinsurance contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

7. FINANCIAL LIABILITIES

(€ MILLION)

	31 DECEMBER 2023	REVISED 31 DECEMBER 2022
Investment contracts	151	138
Banking customer accounts	8,734	7,406
Loans and borrowings	7,045	6,625
Operational leases	126	137
Other liabilities	4,023	5,173
Total financial liabilities	**20,079**	**19,479**

The tables below showing contractual time remaining to maturity should be viewed in conjunction with the Capital and Risk Management section - H liquidity risk.

Investment contracts

Contracts with non-significant insurance risk are presented as investment contracts.

MOVEMENT TABLE INVESTMENT CONTRACTS

(€ MILLION)

	31 DECEMBER 2023	REVISED 31 DECEMBER 2022
Balance at 1 January	138	141
Consideration received	48	52
Consideration paid	-55	-58
Effect of fair value changes related to financial assets	10	-16
Changes due to reclassification[1]	10	19
Balance at 31 December	**151**	**138**

[1] Changes due to reclassifications concern reclassifications from Liabilities related to insurance contracts.

ANALYSIS BY CONTRACTUAL REMAINING TIME TO MATURITY INVESTMENT CONTRACTS

(€ MILLION)

	31 DECEMBER 2023	REVISED 31 DECEMBER 2022
Within 1 year	40	35
1-5 years	7	8
5-15 years	1	1
Over 15 years	103	94
	151	**138**

Banking customer accounts

The banking customer accounts increased due to the expansion of the savings portfolio, on the one hand as a direct result of the increase in the mortgage portfolio, and on the other hand due to a favourable interest rate development for the customer.

ANALYSIS BY CONTRACTUAL REMAINING TIME TO MATURITY (INCLUDING ACCRUED INTEREST)

(€ MILLION)

	BANKING CUSTOMER ACCOUNTS	INTEREST PAYMENTS	TOTAL 31 DECEMBER 2023	BANKING CUSTOMER ACCOUNTS	INTEREST PAYMENTS	REVISED TOTAL 31 DECEMBER 2022
Less than 3 months	5,723		5,723	4,895		4,895
3-12 months	593	2	595	396	11	408
1-5 years	1,126	31	1,157	1,225	32	1,257
More than 5 years	1,292	17	1,309	890	6	896
	8,734	**50**	**8,784**	**7,406**	**50**	**7,456**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

The fair value of banking customer accounts valued at amortised cost as at the balance sheet date is € 8,532 million (2022: € 7,215 billion). The fair value assessment is mainly based on input from observable market data.

Loans and Borrowings

LOANS AND BORROWINGS CLASSIFIED BY FINANCING ACTIVITY (€ MILLION)

	31 DECEMBER 2023	REVISED 31 DECEMBER 2022
Deposits from credit institutions	360	1,139
Secured bank loans	2,756	2,210
Unsecured loans	3,322	2,468
Subordinated loans	547	749
Others	60	59
Total loans and borrowings classified by financing activity	**7,045**	**6,625**

The fair value of loans and borrowings valued at amortised cost as at the balance sheet date is € 7,013 million (31 December 2022: € 6,611 million).

The nominal value of loans measured at fair value is € 1 million (31 December 2022: € 1 million). The fair value is also € 1 million (31 December 2022: € 1 million).

MOVEMENT TABLE LOANS AND BORROWINGS 2023[1] (€ MILLION)

	DEPOSITS FROM CREDIT INSTITUTIONS	SECURED BANK LOANS	UNSECURED LOANS	SUBORDINATED LOANS	OTHER	TOTAL 2023
Balance at 1 January	1,139	2,210	2,468	749	59	6,625
Money deposited	372	996	1,082	298	1	2,749
Money withdrawn	-1,139	-590	-282	-500	-3	-2,514
Amortisation		5	20			25
Foreign currency differences			20			20
Change in value due to fair value hedge accounting		135	14			149
Other changes	-12				3	-9
Balance at 31 December	**360**	**2,756**	**3,322**	**547**	**60**	**7,045**

1 Changes due to reclassifications concern reclassifications from Liabilities related to insurance contracts.

MOVEMENT TABLE LOANS AND BORROWINGS 2022[1] (€ MILLION)

	DEPOSITS FROM CREDIT INSTITUTIONS	SECURED BANK LOANS	UNSECURED LOANS	SUBORDINATED LOANS	OTHER	REVISED TOTAL 2022
Balance at 1 January	56	2,228	2,612	749	8	5,653
Money deposited[2]	1,139	495	593		266	2,493
Money withdrawn	-56	-190	-735		-215	-1,196
Amortisation		4	2			6
Foreign currency differences			19			19
Change in value due to fair value hedge accounting		-305	-23			-328
Other changes		-22				-22
Balance at 31 December	**1,139**	**2,210**	**2,468**	**749**	**59**	**6,625**

1 Loans and borrowings include all capital and financing arrangements related to banking activities.
2 The issuance of the Greenbond of (€ 500 million) is included in the amounts on the 'Money deposited' lines. Refer also the Cash Flow Statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

ANALYSIS BY CONTRACTUAL REMAINING TIME TO MATURITY

(€ MILLION)

	LOANS AND BORROWINGS	INTEREST	TOTAL 31 DECEMBER 2023	LOANS AND BORROWINGS	INTEREST	REVISED TOTAL 31 DECEMBER 2022
Less than 3 months	688	1	689	1,156	3	1,159
3-12 months	1,051	3	1,054	1,067	23	1,090
1-5 years	3,252	86	3,338	3,216	64	3,280
More than 5 years	2,054	195	2,249	1,186	29	1,215
	7,045	**285**	**7,330**	**6,625**	**119**	**6,744**

Secured Loans

The banking activities of Achmea are partly funded by loans secured by pledged mortgage receivables. Achmea Bank does this through separate entities (special purpose vehicles, or SPVs), through a Conditional Pass-through Covered Bond programme and through a Covered Bonds programme. Under the SPVs, Achmea Bank transfers the mortgages to the SPV, with the SPVs issuing bonds backed by residential mortgages. Under the Conditional Pass-through Covered Bond programme and the Covered Bonds programme, both with a size of up to € 5 billion, Achmea Bank issues bonds backed by residential mortgages. In May 2023, Achmea Bank N.V. transferred the bonds of the Conditional Pass-Through Covered Bond Program to the Soft Bullet Covered Bond program and the Conditional Pass-Through Covered Bond Program was terminated. In early January 2024, the size of the Soft Bullet Covered Bond program Program was increased to a maximum of € 10 billion.

All bonds are issued in euros. Achmea Bank also has a trust agreement, whereby mortgage receivables are pledged to Stichting Trustee Achmea Bank as collateral for a number of bank liabilities. The carrying amount of mortgage receivables pledged as security is € 6.96 billion at 31 December 2023 (31 December 2022: € 5.8 billion).

In January 2023 Achmea Bank issued € 500 million in Soft Bullet Covered Bonds in March 2023 with a maturity of 7 years, a coupon rate of 3.0% and a maturity date of 31 January 2030. In addition, Achmea Bank issued another € 500 million in Soft Bullet Covered Bonds in October with a maturity of 3 years, a coupon rate of 3.750% and a maturity date of 19 October 2026. These loans are listed on Euronext Amsterdam, The Netherlands.

Unsecured Loans

(€ MILLION)

	31 DECEMBER 2023	HERZIEN 31 DECEMBER 2022
Senior Unsecured Bond Achmea Bank N.V.	1,255	635
Commercial Paper	822	588
Senior Unsecured Notes Achmea B.V.	1,245	1,245
Total	3,322	2,468

Achmea B.V has a € 5 billion Debt Issuance Program, under which Achmea B.V. has issued several unsecured, listed senior and subordinated Tier 2 bonds in recent years. On a stand-alone basis, in September 2019, Achmea B.V issued an unsecured, listed 4.625% Perpetual Restricted Tier 1 bond with a nominal value of € 500 million and a first call date in March 2029. At year-end 2023, the total amount outstanding is € 3,050 million (31 December 2022: € 3,250 million), of which Achmea B.V has accounted for € 1,250 million under Unsecured Unsubordinated Loans, € 1,250 million under Equity (Perpetuals), and € 550 million under Subordinated Loans.

Achmea B.V syndicated credit facility has a size of € 1 billion. The maturity of this facility runs until 2026. Both in 2023 and in 2022 the committed credit facility was undrawn.

In October 2012, Achmea Bank N.V. constructed an Euro Medium Term Note (EMTN) programme of € 10 billion. At yearend 2023 the total outstanding amount is € 660 million, of which € 337 million Private Placements (31 December 2022: € 646 million). The total net increase in unsecured loans within the EMTN in 2023 is € 14 million.

In 2013, Achmea Bank N.V. also set up a € 1.5 billion French commercial paper programme. With this programme Achmea Bank N.V is able to access the international money markets to further diversify its funding mix. At the end of 2023 the total outstanding amount is € 822 million (31 December 2022: € 585 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

In October of 2023, Achmea Bank N.V. redeemed a Senior bond of CHF 200 million (€ 208 million). Also in October last year, Achmea Bank N.V. placed CHF 100 million (€ 104 million) of Senior bonds with a maturity of 3 years, a coupon rate of 2.470% and with a maturity date on 16 October 2026. In addition, Achmea Bank N.V. placed another CHF 100 million (€ 104 million) of Senior bonds in October 2023 with a maturity of 7 years, a coupon rate of 2.7475% and with a maturity date on 16 October 2030. These loans are listed on the SIX Swiss Exchange.

Subordinated Loans

On 4 April 2023, the first call date, Achmea B.V. redeemed a subordinated Tier 2 bond of € 500 million. This Tier 2 bond was replaced in June 2023 by issuance of a new subordinated Tier 2 bond of € 300 million by Achmea B.V. with a maturity of 20.5 years, at a coupon rate of 6.750%, with a first call date in the period from 26 June 2033 to 26 December 2033, and with a maturity date on 26 December 2043.

Lease liabilities

The term of the Lease liabilities is as follows:

(€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Shorter than 1 year	24	23
Between 1 and 5 years	80	79
More than 5 years	22	35
Balance at 31 December	**126**	**137**

The valuation of the Lease liabilities does not include non-lease (e.g. service charges) components amounting to € 8 million (2022: € 7 million).

Other liabilities

(€ MILLION)

	31 DECEMBER 2023	REVISED 31 DECEMBER 2022
Obligation from received collateral in the form of cash[1]	1,420	1,257
Investment liabilities[2]	1,666	3,186
Taxes and social security premiums	105	92
Creditors	151	178
Post-employment benefits	69	34
Accruals and deferred income	81	86
Prepaid premiums	3	4
Other	528	336
	4,023	**5,173**

1 Obligation from received collateral in the form of cash relates to cash collateral amounts received by Achmea depending on the current value of the derivative. Achmea uses the cash received for investments.
2 Investment liabilities include third party interests of € 1,289 million as a result of the consolidation of certain investment pools. These pools are consolidated by Achmea Pensioen- en Levensverzekeringen N.V. as they are controlled based on IFRS 10.

An amount of € 51 million (31 December 2022: € 48 million) of the Other liabilities is expected to be settled more than twelve months after reporting date. For Other liabilities expected to be settled within twelve months after reporting date the carrying amount is a reasonable approximation of the fair value. The fair value of liabilities expected to be settled more than twelve months after reporting date amounts to € 51 million as at 31 December 2023 (31 December 2022: € 48 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

KEY ASSUMPTIONS AND ESTIMATES TO DETERMINE THE FAIR VALUE OF FINANCIAL LIABILITIES

In the absence of an active market, the fair value of non-quoted financial liabilities is estimated by using the present value or other valuation techniques. Reference is made to Note 8, Fair value hierarchy, for a detailed description of the methods used. Valuation techniques are subjective in nature and can have a significant impact on the determination of fair values for certain financial liabilities. Valuation techniques involve various assumptions on the pricing factors. The application of different valuation techniques and assumptions can have an effect on the fair value.

ACCOUNTING POLICIES FOR FINANCIAL LIABILITIES

Investment contracts

Financial instruments that grant an investor the contractual right to receive a share of the proceeds of a particular investment pool with no or negligible insurance risk are accounted for as Investment Contracts, under Financial Liabilities.

Some of the investment contracts have discretionary participation features and the entity (Achmea operations in Greece) also issues insurance contracts, making IFRS 17 applicable and they are accounted for as insurance contracts (see Note 6). The linked investments are accounted for as part of Investments insurance business. Investment contracts are measured at fair value through the statement of profit and loss. These agreements are classified as 'At fair value through the statement of profit and loss' because, together with the investments covering the related liabilities, they are managed as a group. The fair value of investment contracts is the higher of the fair value of the financial instruments linked to the investment contracts, the surrender value (adjusted for surrender penalties) and the discounted terminal value (at a risk-free interest rate). The fair value for non-linked investment contracts is the higher of the discounted exit value based on a risk-free interest-rate shock and the surrender value (adjusted for surrender penalties).

Banking customer accounts and Loans and funds drawn down

Banking customer accounts are valued at the amortised cost. Loans and funds drawn down relate to all loans from external parties to Achmea and financial lease liabilities. These consist of bank deposits, secured bank loans, unsecured bank loans and subordinated loans. These liabilities are measured at amortised cost. Collateral obtained from borrowers, to the extent it is invested within the securities lending programme, is recognised as a financial liability because there is an obligation to repay the cash received as collateral. These liabilities are measured at amortised cost. Because no premium or discount is received on the collateral, the amortised cost is equal to the nominal value. Fair value hedge accounting is applied to some loans when consistent with the financial risk management policies. Some financial liabilities are classified as 'At fair value through the statement of profit and loss' when these liabilities are recognised due to the termination of insurance contracts and the future sale of related financial assets to reduce valuation inconsistencies.

Lease liabilities

Upon initial recognition the lease liabilities are valued based on the present value of the lease payments that have not yet been paid upon commencement of the lease. The discount rate is either the interest percentage implicit in the lease or, if this cannot be readily determined, the incremental borrowing rate. The incremental borrowing rate is based on a risk-free curve and if applicable a premium is added for creditworthiness and lease-specific aspects.

Lease payments related to short-term leases for equipment and vehicles and all leases for low-value assets are recognised as expenses in the statement of profit and loss on a straight-line basis. Short-term leases are leases with a lease term of 12 months or less. Low-value assets include IT equipment and office furniture.

Lease payments that are taken into account in valuing lease liabilities are comprised of fixed lease payments, variable lease payments (for example dependent on an index), liabilities for the residual value of guarantees, the expected value of the exercise of purchase options and any penalties for early termination.

The lease liabilities are valued at amortised cost using the effective interest method. The value of the lease liability is remeasured in the event of changes in the future lease payments. If the right-of-use asset still has a carrying amount at the time of revaluation, a corresponding adjustment will be made to the carrying amount of the right-of-use asset. If the carrying amount is already zero, the revaluation will be recognised in the statement of profit and loss.

Other liabilities

Other liabilities are measured at amortised cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

8. FAIR VALUE HIERARCHY

Fair value hierarchy and fair value assessment

This note provides an analysis of assets and liabilities that are measured subsequently to initial recognition at fair value. These assets and liabilities are classified into three levels (fair value hierarchy) based on the significance of the inputs used in making the fair value assessment. The levels are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes assets and liabilities valued using quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar assets and liabilities in markets that are considered less active or valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant non-observable inputs. This category includes all assets and liabilities for which the valuation technique includes inputs that are not based on observable data and where the unobservable inputs have a significant effect on the valuation of the assets and liabilities, such as investments in real estate, venture capital and private equity, consumer loans and mortgage loans and advances that are part of the Banking credit portfolio.

Cash and cash equivalents are classified as level 1 when not subject to restrictions. Commercial papers, part of deposits with credit institutions, are classified as level 1 due to the fact that they are traded on money markets. Other deposits with credit institutions are generally classified as level 2 because they are not traded and are subject to restrictions.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE ON A RECURRING BASIS AS AT 31 DECEMBER 2023 (€ MILLION)

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Recurring fair value measurement				
Investment property			725	725
Investments				
Equities and similar investments	5,865	1,679	1,112	8,656
Fixed income investments	22,337	5,081	8,334	35,752
Derivatives	16	5,035		5,051
Other financial investments	144	5,563		5,707
Cash and cash equivalents	1,934			1,934
Total assets measured at fair value on a recurring basis	**30,296**	**17,358**	**10,171**	**57,825**
Non-recurring fair value measurements				
Property for own use and equipment			327	327
Total assets measured at fair value on a non-recurring basis			**327**	**327**
Liabilities				
Recurring fair value measurement				
Financial liabilities				
Investment contracts		151		151
Loans and borrowings		1		1
Derivatives	100	3,372		3,472
Total liabilities measured at fair value on a recurring basis	**100**	**3,524**		**3,624**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE ON A RECURRING BASIS AS AT 31 DECEMBER 2022 - REVISED

(€ MILLION)

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Recurring fair value measurement				
Investment property			850	850
Investments				
Equities and similar investments	3,958	922	1,234	6,114
Fixed income investments	24,323	3,754	7,650	35,727
Derivatives	271	5,719		5,990
Other financial investments	551	8,122		8,673
Cash and cash equivalents	1,946			1,946
Total assets measured at fair value on a recurring basis	**31,049**	**18,517**	**9,734**	**59,300**
Non-recurring fair value measurements				
Property for own use and equipment			378	378
Total assets measured at fair value on a non-recurring basis			**378**	**378**
Liabilities				
Recurring fair value measurement				
Financial liabilities				
Investment contracts		138		138
Loans and borrowings		1		1
Derivatives	30	4,287		4,317
Total liabilities measured at fair value on a recurring basis	**30**	**4,426**		**4,456**

Main changes in the fair value hierarchy in 2023

At each reporting date, Achmea assesses the classification of assets and liabilities measured at fair value. The assessment of the classification in the fair value hierarchy requires substantial estimates, for example the importance of (un)observable inputs used in determining the fair value or with respect to activity of the market. In case of inactive markets, judgement is required on the valuation techniques used in order to determine the fair value as well as the interpretation of the level of the market and other data used. As a result, the outcome of the classification process may differ between reporting periods. Achmea's policy is to incorporate transfers into and out of categories within the fair value hierarchy in the balance sheet at the beginning of the reporting period. There were no transfers between level 1 and 2 for recurring valuations at fair value during the year. See below for transfers from and to level 3 valuations.

Valuation techniques used and valuation processes within Achmea for level 2 and 3 valuations.
Depending on the financial instruments, Achmea has set valuation policies and procedures for determining the fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

MOVEMENT SCHEDULE FOR LEVEL 3 ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS 2023

(€ MILLION)

	INVESTMENT PROPERTY	EQUITIES AND SIMILAR INVESTMENTS	FIXED INCOME INVESTMENTS	ASSETS TOTAL	DERIVATIVES	LIABILITIES TOTAL
Balance at 1 January	**850**	**1,234**	**7,650**	**9,734**		
Investments and loans granted	8	414	1,341	1,763		
Divestments and disposals	-20	-22	-863	-905		
Fair value changes included in Statement of profit and loss	-101	-78	208	29		
Changes due to reclassification	-12	-8		-20		
Changes in fair value hierarchy (transfers from Level 3)		-428	-2	-430		
Balance as at 31 December	**725**	**1,112**	**8,334**	**10,171**		

MOVEMENT SCHEDULE FOR LEVEL 3 ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS 2022

(€ MILLION)

	INVESTMENT PROPERTY	EQUITIES AND SIMILAR INVESTMENTS	FIXED INCOME INVESTMENTS	ASSETS TOTAL	DERIVATIVES	LIABILITIES TOTAL
Balance at 1 January	**1,028**	**852**	**8,821**	**10,701**		
Investments and loans granted	16	474	1,706	2,196		
Divestments and disposals	-177	-98	-1,016	-1,291		
Fair value changes included in Statement of profit and loss	11	4	-1,869	-1,854		
Changes due to reclassification	-28	2		-26		
Changes in fair value hierarchy (transfers to Level 3)			8	8		
Balance as at 31 December	**850**	**1,234**	**7,650**	**9,734**		

The changes in the fair value hierarchy from level 3 to levels 1 and 2 are mainly due to the reclassification of investment funds starting in 2023. Changes in fair value relating to Equities and similar investments and Fixed income investments recognised in the statement of profit and loss are presented as part of the Investment result from insurance/reinsurance activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

SIGNIFICANT UNOBSERVABLE INPUTS FOR LEVEL 3 FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE AT 31 DECEMBER 2023

DESCRIPTION	FAIR VALUE IN MILLIONS	VALUATION TECHNIQUE USED	UNOBSERVABLE INPUT	RANGE (WEIGHTED AVERAGE)	RELATIONSHIP OF UNOBSERVABLE INPUTS TO FAIR VALUE
Investment property	725	Marketrent-capitalisatin-method Gross	Gross Initial Yield	4.3 - 16.4 (5.4) (%)	Increase (decrease) will result in a decrease (increase) in value.
Investments					
Equities and similar investments	1,112	Net Asset Value	N/A	N/A	N/A
Fixed income investments					
Investments insurance and other	8,334	Discounted cashflows	Total spread	86 - 191 (bps)	Increase (decrease) will result in a decrease (increase) in value.

SIGNIFICANT UNOBSERVABLE INPUTS FOR LEVEL 3 FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE AT 31 DECEMBER 2022

DESCRIPTION	FAIR VALUE IN MILLIONS	VALUATION TECHNIQUE USED	UNOBSERVABLE INPUT	RANGE (WEIGHTED AVERAGE)	RELATIONSHIP OF UNOBSERVABLE INPUTS TO FAIR VALUE
Investment property	850	Market-rent-capitali-sation-method Gross	Gross Initial Yield	3.7 - 13.7 (4.9) (%)	Increase (decrease) will result in a decrease (increase) in value.
Investments					
Equities and similar investments	1,234	Net Asset Value	N/A	N/A	N/A
Fixed income investments					
Investments insurance and other	7,650	Discounted cashflows	Total spread	124 - 166 (bps)	Increase (decrease) will result in a decrease (increase) in value.

Equities and similar investments consist mainly of investments in private equity, amounting to € 202 million (31 December 2022: € 238 million), real estate funds amounting to € 725 million (31 December 2022: € 829 million) and Infrastructure funds amounting to € 163 million (31 December 2022: € 133 million). The private equity investments are of a highly diversified nature in terms of sector, geographical region and type of investment. Because for the majority of these investments their fair value is determined using the intrinsic value (net asset value) as reported by the fund manager or the general partner, there is no significant unobservable input or combination of inputs that can be used to carry out a sensitivity analysis for this portfolio.

VALUATION TECHNIQUES USED AND VALUATION PROCESSES WITHIN ACHMEA FOR LEVEL 2 AND 3 VALUATIONS.

Depending on the specific assets and liabilities, Achmea has set valuation policies and procedures for determining the fair value. For each type of asset or liability, a summary is provided of the valuation process, a description of the technique used and the relevant inputs.

Real estate investments

Investment properties include commercial and residential real estate. The fair value is based on prices in an active market, adjusted as necessary for differences in the nature, location or condition of the specific asset. All real estate is valued quarterly. The valuations are carried out by external independent accredited assessors with relevant professional qualifications. All valuations are carried out according to industry-standard valuation guidelines.

The level 3 investment properties within Investments are located in the Netherlands. The fair value of these investment properties is determined using the income capitalisation method and also tested using the discounted cash flow (DCF) method. Under the income capitalisation method, the fair value of a property is estimated based on the normalised rental income divided by the discounted rate of return for the property (the market yield). For the difference between gross and net rental income, the same cost categories apply as in the DCF method, except that certain costs are not allocated to the cash flow period, but the average costs over the lease term are included in the normalised rental income.

In the case of the DCF method, the fair value of investment properties is determined based on estimates of future cash flows, using a discount rate that reflects the current market uncertainties of the value and timing of the cash flows. Transactions of real estate sold in the Netherlands cannot be easily compared due to the lack of publicly available information. As a result, the valuation of an investment property has a higher degree of uncertainty compared to a more active market environment in which comparable, current transactions are used to validate the valuation process. The assumptions when applying the aforementioned valuation methods are supported by leases and other relevant agreements and by external evidence such as recent and expected general economic trends and current rental prices in the market for similar properties in the same region and condition. Regular costs and liabilities related to investment properties such as vacancy, rent-free periods, maintenance and repairs, as well as any liabilities that limit the feasibility of the income and proceeds when the real estate is sold, have been taken into account in the DCF method. Rental increase rates are based on general economic trends taking into account the specific characteristics of the real estate being valued. Under the DCF method, projections of cash flows are made for at least 10 years. The discount rate used depends on both the type of real estate being valued (i.e. commercial and residential real estate) and the specific characteristics of the real estate being valued. Due to the characteristics of the inputs for both valuation methods, all investment properties in the Netherlands are classified as level 3.

Investments – Equities and similar investments

When available, Achmea uses quoted market prices in active markets to determine the fair value of its equities and similar investments. The fair values of investments held in non-quoted investment funds are determined by management after taking into consideration information provided by the fund managers. If no market prices are available, internal models are used to determine fair value.

Equities and similar investments classified as level 2 are mainly Investments backing linked liabilities, consisting mainly of investments in unit-linked funds. Investments backing linked liabilities are investments related to insurance contracts where the policyholder bears investment risks. These investments are classified as ‘At fair value through the statement of profit and loss’ The fair value of investments in unit-linked funds is Achmea’s share in the Net Asset Value of these funds. These unit-linked funds invest mainly in listed securities and hence the net asset value of the fund is derived from observable inputs (including quoted prices for these securities in active markets).

The remaining Equities and similar investments classified as level 2 comprise Commodities and Real estate funds. The fair value of Commodities, classified as 'At fair value through the statement of profit and loss’, represents amounts estimated to be received from or paid to a third party in settlement of these instruments. These instruments are valued by the broker based upon market prices, if available. The fair value of real estate funds, classified as ‘Available for sale’, represents the net asset value of funds managed by Achmea. Achmea assesses the fair values and performs analytical procedures to ensure the fair values are appropriate.

The Equities and similar investments classified as level 3 comprise private equity and alternative investments which are mainly classified as ‘Available for Sale’ investments. The private equity investment portfolio mainly consists of investments with a highly diversified nature in terms of sector, geographical region and type of investment. The alternative investment portfolio, classified as ‘Available for Sale’, mainly consists of infrastructure related investments. The fair value of these portfolios is determined using the net asset value as reported by the fund manager or general partner. This is considered to be the best proxy for the fair value of the investment. If an adjustment needs to be recorded in the reported net asset value, this is reflected in the fair value. Part of the private equity investment portfolio is related to Achmea's venture capital and is classified as ‘At fair value in the statement of profit and loss’. The pricing models are based on models as recommended in the International Private Equity and Venture Capital Valuation Guidelines. Achmea assesses the valuations and performs analytical procedures to ensure the fair values are appropriate.

Investments – Fixed income investments

In general, the fair value of these fixed income investments is determined by means of a net present value methodology using estimated future cash flows, taking into account current interest rate shocks applicable to financial instruments with similar yield, credit quality and maturity characteristics.

The level 2 classified Bonds and other fixed income investments comprise mainly the bond part of a convertible bond. The related derivative part of the instrument is presented as part of derivatives. In general, the convertible bond is listed and the value of the instrument is therefore market observable. However, for the separate bond-part this is not the case. The fair value is determined by means of the valuation of a similar bond with the same characteristics or if not available using estimated future cash flows, taking into account current interest rate shocks applicable to financial instruments with similar yield, credit quality and maturity characteristics.

The Loans and mortgages classified as level 2 comprise mainly investment loans. The fair value of these investment loans is determined by means of a net present value methodology using an internally calculated yield taking into account current interest rate shocks applicable to financial instruments with similar yield, credit quality and maturity characteristics.

The Loans and mortgages classified as level 3 comprise mainly mortgage loans in the insurance sector. The fair value of these mortgages is determined using valuation models based on the discounted value of estimated future cash flows using current interest rate shocks. The interest rate used is based on rates in the consumers market adjusted for spreads for the price risk during the offering period. Part of the assumptions used in determining the fair value are unobservable. The fair value derived by the pricing model is back tested with market information derived from recent market transactions for similar mortgages (where available) and/or internal prices used when issuing mortgage loans.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

The Deposits with credit institutions classified as level 2 comprise short-term deposits with banks with a fixed maturity. These deposits are not tradable and subject to restrictions due to their fixed maturity. The fair value of these deposits is in general equal to the nominal value, taking into account the time value of money where material. Cash and cash equivalents and other financial investments classified as level 2 mainly consist of savings accounts, part of Investments backing linked liabilities. The fair value is determined by means of a net present value methodology using estimated future cash flows over the interest rate period, taking into account current interest rate shocks applicable to financial instruments with similar yield, credit quality and maturity characteristics.

The Banking credit portfolio classified as level 3 mainly comprises loans to the retail sector, which are classified as ‘At fair value through the statement of profit and loss’. The fair value of these loans is determined using valuation models based on the present value of estimated future cash flows using current interest rate shocks. The interest rate is based on consumer market rates, adjusted for things such as price risk during the offering period. Some assumptions used in determining fair value are unobservable. The fair value obtained by the valuation model is benchmarked against market information derived from recent market transactions for equivalent mortgages (if available) and/or the internal prices used when issuing mortgage loans.

Investments – Derivatives (assets and liabilities)

The level 2 classified derivatives comprise Interest rate derivatives (including swaptions), currency derivatives and equity derivatives. Where quoted market prices are not available, other valuation techniques, such as option pricing or stochastic modelling, are applied. The valuation is performed by a data vendor. The valuation techniques incorporate all factors that a market participant would consider and are based on observable market data when available. Fair values of interest rate derivatives (including swaptions), equity derivatives and currency derivatives represent amounts estimated to be received from or paid to a third party upon settlement of these instruments. These derivatives are valued using directly observable prices of exchange-traded derivatives or external pricing services or, if not available, using valuation models based on the net present value method using estimated future cash flows. The pricing models which are used are standard industry valuation models (like the Black-Scholes model) and make use of current market data. The market data for interest rate derivatives and cross currency interest rate derivatives consist mainly of the swap curve of the related interest period and currency, where applicable adjusted for contract fees and margin (when part of the contractual cash flows of the derivative). Achmea normally mitigates counterparty default risk in derivative contracts by entering collateral agreements into the contracts where possible.

Investments – Other financial investments

Other financial investments classified as level 2 mainly consist of savings accounts, part of Investments backing linked liabilities. The fair value is determined by means of a net present value methodology using estimated future cash flows, taking into account current interest rate shocks and the counterparty credit surcharge in the discount curve. The counterparty credit surcharge is based on the bad debt risk taking into account the cash flow characteristics of the savings deposits. Depending on these cash flow characteristics and the collateral obtained, the counterparty credit surcharge is determined. For the savings for which no collateral is obtained, the counterparty credit surcharge is based on the bad debt risk of similar financial instruments issued by the party where the savings account is held.

Property for own use

The fair value of Property for own use is based entirely on valuation by independent qualified appraisers. The valuation is based on market observations and various calculation methods, such as the ‘Discounted cash flow’ method. In line with the economic climate and market conditions in recent years, the number of property transactions has declined. The ‘Discounted Cash Flow’ method is therefore usually used for valuation. Under this method, fair value is determined based on the rental income of the real estate. The appraisers apply a market-based discount rate adjusted for the age, location and remaining term of the lease. Due to the lack of actual market transactions that can be used to validate this valuation process, the value of the Property for own use has a high degree of uncertainty. For 100% of the total fair value of Property for own use in the Netherlands, the valuation was carried out during 2023.

Financial liabilities – Investment contracts

Investment contracts classified as level 2 consist of investment-linked and non-linked investment contracts. The fair value of the investment contracts linked to investments is the higher of the fair value of the financial instruments linked to the investment contracts, the surrender value (adjusted for surrender penalties) and the discounted terminal value. The fair value for non-linked investment contracts is the higher of the surrender value (adjusted for surrender penalties) and discounted exit value (based on a risk-free interest rate).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Financial liabilities – Loans and funds drawn down
Loans and funds drawn down classified as level 2 are loans related to transfers of assets. The fair value of these loans is determined using valuation models in which the contractual future cash flows are discounted using current interest rate shocks based on the swap curve, including a credit spread. Changes in fair value relating to Investment property and Equity and similar investments recognised in the statement of profit and loss are presented as part of Realised and unrealised changes in value; changes in fair value relating to Fixed income investments recognised in the statement of profit and loss are presented as part of Investment income.

Changes in fair value included in Other comprehensive income with respect to Equities and similar investments and Loans and mortgages are presented as part of the Changes in the revaluation reserve. Changes due to reclassification are reclassifications between Investment Properties and Property for own use due to changes in use.

The tables below provide an overview of all assets and liabilities that are not measured at fair value, but for which the fair value is disclosed in the notes.

FAIR VALUE (HIERARCHY) ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE

(€ MILLION)

	CARRYING AMOUNT AS AT 31 DECEMBER 2023				FAIR VALUE AS AT 31 DECEMBER 2023
		QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL INSTRUMENTS	SIGNIFICANT OTHER OBSERVABLE INPUTS	SIGNIFICANT UNOBSERVABLE INPUTS	
		LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets					
Investments					
Fixed income investments	14,748		584	13,751	14,335
Other financial investments	63		63		63
Receivables	1,720		1,709		1,709
Liabilities					
Banking customer accounts	8,734		8,639		8,639
Loans and borrowings	7,044	1,792	5,189		6,981
Other liabilities	4,023		2,738		2,738

FAIR VALUE (HIERARCHY) ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE

(€ MILLION)

	REVISED CARRYING AMOUNT AS AT 31 DECEMBER 2022				REVISED FAIR VALUE AS AT 31 DECEMBER 2022
		QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL INSTRUMENTS	SIGNIFICANT OTHER OBSERVABLE INPUTS	SIGNIFICANT UNOBSERVABLE INPUTS	
		LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets					
Investments					
Fixed income investments	12,337		591	11,513	12,104
Other financial investments	47		47		47
Receivables	2,012		1,908	3	1,911
Liabilities					
Banking customer accounts	7,406		7,402		7,402
Loans and borrowings	6,624	1,992	4,592		6,584
Other liabilities	5,551		5,153		5,153

VALUATION TECHNIQUES USED AND VALUATION PROCESSES WITHIN ACHMEA FOR LEVEL 2 AND 3 VALUATIONS.

Depending on the specific assets and liabilities, Achmea has set valuation policies and procedures for determining the fair value. For each type of asset or liability, a summary is provided of the valuation process, a description of the technique used and the relevant inputs.

Investments – Fixed income investments

The fair value of loans to credit institutions classified as level 2 is equal to the net present value of estimated future cash flows, taking into account current interest rate shocks applicable to financial instruments with similar yield, credit quality and maturity characteristics.

The Banking credit portfolio classified as category 3 mainly comprises loans to and receivables from the private sector. These loans are classified as 'Loans and receivables' and are measured at amortised cost less accumulated impairment losses. The fair value of these loans is determined based on estimated future cash flows discounted at current interest rate shocks. The interest rate is based on consumer market rates adjusted for matters such as spreads for price risk during the offering period. Some assumptions used in determining fair value are non-observable.

Deposits with reinsurers classified as category 3, as part of fixed income investments, consist of accounts in which premiums and expected claims payments are recognised in respect of a specific risk insurance programme over which an agreed interest rate is earned. The non-observable inputs include models used to determine incurred but not yet reported losses related to the insurance contract.

Investments classified as level 2 consist mainly of savings accounts, part of Investments. The fair value is determined by means of a net present value methodology using estimated future cash flows, taking into account current interest rate shocks and the counterparty credit surcharge in the discount curve. The counterparty credit surcharge is based on the bad debt risk taking into account the cash flow characteristics of the savings deposits. Depending on these cash flow characteristics and the collateral obtained, the counterparty credit surcharge is determined. For the savings for which no collateral is obtained, the counterparty credit surcharge is based on the bad debt risk of similar financial instruments issued by the party where the savings account is held.

Accounts receivable

Receivables are in general classified as level 2, due to the fact that the amount deducted from the fair value for counterparty default risk is insignificant as compared to the fair value of the nominal cash flows of these receivables. If the amount deducted for counterparty default risk is not insignificant, these assets are classified as level 3.

The level 2 and 3 classified Receivables comprise mainly short-term amounts due that are related to Achmea's ordinary operating activities. These receivables are measured at amortised cost less accumulated impairment losses.

The fair value of these receivables is determined based on discounted value of the expected cash flows, taking into accounted expected credit losses. The valuation models are based on current market data, such as the Euro Swap Curve. Besides the swap curve, there are also non-observable market inputs. The non-observable market inputs may include spreads embedded in the discount curve. For receivables expected to be recovered within twelve months after the balance sheet date, the carrying amount is a reasonable approximation of the fair value.

Financial liabilities

The fair value of Banking customer accounts classified as level 2 consist of savings accounts and deposits. Fair value is based on the discounted present value of expected future cash outflows, using current market interest rates.

The majority of the total Loans and funds drawn down are not measured at fair value.

The fair value of level 2 loans is determined using valuation models based on the present value of estimated future cash flows. The valuation models are based on current market data, such as the Euro Swap Curve. Besides the swap curve, there are also non-observable market inputs. The non-observable market inputs may include spreads embedded in the discount curve.

Other liabilities

Other liabilities, except for liabilities to credit institutions, are classified as level 2 due to the fact that there is no active market for these financial instruments. Cash liabilities are classified as level 1. The level 2 classified Other liabilities comprise mainly short-term amounts payable related to the ordinary operating activities of Achmea. These other liabilities are measured at amortised cost. The fair value of these liabilities is determined based on discounted value of the expected cash flows. For Other liabilities expected to be settled within twelve months after the balance sheet date, the carrying amount is a reasonable approximation of the fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

9. INSURANCE SERVICE RESULT

INSURANCE SERVICE RESULT

(€ MILLION)

				2023
	NON-LIFE	HEALTH	LIFE	TOTAL
Insurance revenue	4,795	16,370	1,766	22,931
Insurance service expenses	-4,964	-16,340	-1,746	-23,050
Net result from reinsurance contracts	438	-9		429
Total Insurance service result	**269**	**21**	**20**	**310**

(€ MILLION)

				2022
	NON-LIFE	HEALTH	LIFE	TOTAL
Insurance revenue	4,511	15,423	1,863	21,797
Insurance service expenses	-4,275	-15,227	-1,770	-21,272
Net result from reinsurance contracts	-43	-1	-8	-52
Total Insurance service result	**193**	**195**	**85**	**473**

Non-life

The Insurance service result of Non-life is € 76 million higher than in 2022 due to organic growth and indexation of premiums and the absence of calamities in the Netherlands such as the floods in Limburg in 2022. However, there are more weather-related claims. The earthquake in Turkey and the forest fires in Greece lead to higher claims costs which are largely covered by reinsurers.

Health

Insurance service result Healthcare is € 174 million lower than in 2022 due to higher healthcare costs due to higher personnel and material costs at healthcare providers, offset by higher premium income.

Life

The Life Insurance service result is € 65 million lower than in 2022 due to the run-off of the service book portfolio and the final settlement for investment insurance customers.

INSURANCE SERVICE REVENUE

(€ MILLION)

				2023
	NON-LIFE	HEALTH	LIFE	TOTAL
Contracts under the GMM or VFA				
CSM recognised for services provided	18	2	62	82
Change Risk Adjustment for the period	9		72	81
Release of expected claims and other costs related to insurance services	174	7	1,605	1,786
Adjustments to premiums and sales and insurance acquisition cash flows ("experience adjustment")	8		11	19
Amortisation of insurance acquisition costs from premiums			16	16
Contracts under the GMM or VFA	**209**	**9**	**1,766**	**1,984**
Contracts under the PAA	**4,586**	**16,361**		**20,947**
Total insurance service revenue	**4,795**	**16,370**	**1,766**	**22,931**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

(€ MILLION)

				2022
	NON-LIFE	HEALTH	LIFE	TOTAL
Contracts under the GMM or VFA				
CSM recognised for services provided	14	1	57	72
Change Risk Adjustment for the period	8		72	80
Release of expected claims and other costs related to insurance services	185	7	1,727	1,919
Adjustments to premiums and sales and insurance acquisition cash flows ("experience adjustment")			-1	-1
Amortisation of insurance acquisition costs from premiums			8	8
Contracts under the GMM or VFA	**207**	**8**	**1,863**	**2,078**
Contracts under the PAA	**4,304**	**15,415**		**19,719**
Total insurance service revenue	**4,511**	**15,423**	**1,863**	**21,797**

For a breakdown of Revenues from insurance contracts by transition method for Non-life, Healthcare and Life, please refer to the statements of changes in insurance assets and liabilities broken down by insurance business in Note 6 Assets and liabilities related to insurance contracts and share of reinsurers in insurance liabilities.

INSURANCE SERVICE EXPENSES

(€ MILLION)

				2023
	NON-LIFE	HEALTH	LIFE	TOTAL
Claims and related costs incurred in the previous and current periods	4,518	16,277	1,706	22,501
Amortisation of acquisition costs	458	45	10	513
Losses and reversal of losses on onerous contracts	-12	18	30	36
Total insurance service expenses	**4,964**	**16,340**	**1,746**	**23,050**

(€ MILLION)

				2022
	NON-LIFE	HEALTH	LIFE	TOTAL
Claims and related costs incurred in the previous and current periods	3,830	15,210	1,742	20,782
Amortisation of acquisition costs	431	91	6	528
Losses and reversal of losses on onerous contracts	14	-74	22	-38
Total insurance service expenses	**4,275**	**15,227**	**1,770**	**21,272**

Expenses from insurance-related services for Non-Life, Health and Life include allocated Operating expenses, notes to these are presented in note 23 Operating expenses.

ACCOUNTING POLICIES FOR INSURANCE REVENUES AND EXPENSES

For the accounting policies for insurance revenues and expenses, please refer to the accounting policies described in Note 8 Accounting policies for liabilities and assets related to insurance contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

10. NET FINANCIAL RESULT FROM (RE)INSURANCE ACTIVITIES

NET FINANCE RESULT FROM (RE)INSURANCE ACTIVITIES

(€ MILLION)

				2023
	NON-LIFE	HEALTH	LIFE	TOTAL
Investment result from (re)insurance activities				
Interest income / expenses on financial assets not measured at FVTPL		1		1
Other income[1]	477	249	2,781	3,507
Investment expenses financial assets	-12	-3	-36	-51
Investment expenses property			-13	-13
Impairment losses				
Total investment result from (re)insurance activities	**465**	**247**	**2,732**	**3,444**
Finance result from insurance contracts				
Changes in fair value of financial investments of insurance contracts where policyholders bear the investment risk			-113	-113
Interest accreted on insurance contracts	-28	-16	-1,108	-1,152
Effect of changes in discount rate and other financial assumptions[2]	-215	-1	-1,242	-1,458
Valuation effect of the cash flows estimates at the discount curve at year-end and adjusting the CSM at the discount rate at initial recognition			3	3
Foreign exchange loss	-113			-113
Total finance result from insurance contracts	**-356**	**-17**	**-2,460**	**-2,833**
Finance result from reinsurance contracts held				
Interest accreted on reinsurance contracts held	7		1	8
Other	143		1	144
Effect of changes in non-performance risk of reinsurers	-1			-1
Total finance result from reinsurance contracts held	**149**		**2**	**151**
Net finance result from (re)insurance activities	**258**	**230**	**274**	**762**

1 The other income mainly concerns realised/unrealised results on investments valued at FVPL. This relates almost entirely to investments that are mandatory FVPL. The realised and unrealised results from investments valued at FVPL also include investment income from investment properties.

2 The effect of changes in the discount curve and other financial assumptions also includes the effect of risk mitigation. The effect is described in greater detail in Chapter 6.7 Accounting policies - IV Valuation of contracts according to GMM and VFA.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

NET FINANCE RESULT FROM (RE)INSURANCE ACTIVITIES

(€ MILLION)

				2022
	NON-LIFE	HEALTH	LIFE	TOTAL
Investment result from (re)insurance activities				
Interest income / expenses on financial assets not measured at FVTPL	3		13	16
Other income[1]	-853	-179	-10,777	-11,809
Investment expenses financial assets	-8	-3	25	14
Investment expenses property			-14	-14
Impairment losses				
Total investment result from (re)insurance activities	**-858**	**-182**	**-10,753**	**-11,793**
Finance result from insurance contracts				
Changes in fair value of financial investments of insurance contracts where policyholders bear the investment risk			34	34
Interest accreted on insurance contracts	-10		171	161
Effect of changes in discount rate and other financial assumptions[2]	795	4	9,638	10,437
Valuation effect of the cash flows estimates at the discount curve at year-end and adjusting the CSM at the discount rate at initial recognition				
Foreign exchange loss	-34			-34
Total finance result from insurance contracts	**751**	**4**	**9,843**	**10,598**
Finance result from reinsurance contracts held				
Interest accreted on reinsurance contracts held	5			5
Other	-25		-5	-30
Effect of changes in non-performance risk of reinsurers	-2			-2
Total finance result from reinsurance contracts held	**-22**		**-5**	**-27**
Net finance result from (re)insurance activities	**-129**	**-178**	**-915**	**-1,222**

1 The other income mainly concerns realised/unrealised results on investments valued at FVPL. This relates almost entirely to investments that are mandatory FVPL. The realised and unrealised results from investments valued at FVPL also include investment income from investment properties.
2 The effect of changes in the discount curve and other financial assumptions also includes the effect of risk mitigation. The effect is described in greater detail in Chapter 6.7 Accounting policies - IV Valuation of contracts according to GMM and VFA.

The difference in the Total Investment Result from insurance/reinsurance contracts for 2023 versus 2022 is € 15.2 billion. The year 2022 was particularly affected by sharp increases in interest rates, particularly in maturities up to 20 years and the widening of the spreads. This resulted in a negative result of € 11.8 billion. The total financial result from insurance contracts in the year 2022 is a gain due to these developments and amounts to € 10.6 billion. These opposing effects do not cancel each other out because interest rate risk management is mainly aimed at limiting the impact of interest rate and spread developments on the Solvency II ratio.

The year 2023 was characterised by increased equity markets and decreased swap rates and spreads. This resulted in a positive result of € 3.4 billion. The Total financial result from insurance contracts in the year 2023 is negative € 2.8 billion and is an expense as a result of these developments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

OTHER INCOME- INSURANCE RELATED

(€ MILLION)

	2023	2022
Net gains on fin. instruments measured at FVTPL		
Equities and similar investments	585	-1,444
Fixed income investments		
Government bonds and government guaranteed	595	-2,318
Asset backed securities (collaterised)	9	-20
Corporate bonds	503	-1,587
Convertible bonds	18	-33
Mortgage backed loans	193	-1,970
Other	68	-370
Total fixed income investments	**1,386**	**-6,298**
Income from derivatives	-58	-3,943
Income other financial investments	261	-1,156
Income from investment property	-114	5
Total realised/unrealised results on investments valued at FVTPL	**2,060**	**-12,836**
Direct income FVTPL	1,447	1,028
Other income not FVTPL		-1
Other investment income	**3,507**	**-11,809**

The (un)realised results from investments valued at FVPL increased in 2023 compared to 2022. This is mainly explained by developments in the financial markets. In 2023, equity prices rose and swap rates and corporate bond spreads fell. For real estate, we see a lower result due to negative market sentiment and a sharply higher spread for mortgages.

DIRECT INVESTMENT INCOME

(€ MILLION)

	2023	2022
Direct investment income by type		
Dividends	195	95
Rental income from investment property	37	42
Interest on fixed income investments	1,216	907
Total	**1,448**	**1,044**

Direct investment income is part of the Interest income/expenses on financial assets not measured at FVTPL and Other income as presented in the table Net finance result from (re)insurance activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

11. INVESTMENT RESULT FROM OTHER ACTIVITIES

INVESTMENT RESULT FROM OTHER ACTIVITIES

	INVESTMENTS RELATED TO:			2023	INVESTMENTS RELATED TO:			2022
	BANKING ACTIVITIES	INVESTMENT CONTRACTS	OTHER NON-INSURANCEACTIVITES	TOTAL	BANKING ACTIVITIES	INVESTMENT CONTRACTS	OTHER NON-INSURANCEACTIVITES	TOTAL
Investment property								
Rental income			1	1			2	2
Subtotal			**1**	**1**			**2**	**2**
Financial investments mandatorily valued at FVPL								
Interest on fixed-income securities			27	27		-5		-5
Interest on derivatives	111			111	-60			-60
Value changes in the result		4	10	14				
Subtotal	**111**	**4**	**37**	**152**	**-60**	**-5**		**-65**
Financial investments measured at amortized cost								
Interest income calculated using the effective interest method	408	-10		398	276	4	2	282
Effect of applying hedge accounting	-8			-8	7			7
Subtotal	**400**	**-10**		**390**	**283**	**4**	**2**	**289**
Total Other investment result from other activities	**511**	**-6**	**38**	**543**	**223**	**-1**	**4**	**226**

ACCOUNTING POLICIES FOR INVESTMENT INCOME

The accounting policies for investment income are closely related to the accounting principles for real estate investments and other investments. See Note 4 and 5 for further explanation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

OTHER NOTES

12. INTANGIBLE ASSETS

(€ MILLION)

	GOODWILL	SOFTWARE[1]	BRAND NAME	DISTRIBUTION NETWORKS	OTHER INTANGIBLE ASSETS	TOTAL 2023
Cost						
Balance at 1 January	711	259	3	138	3	1,114
Change in composition of the Group						
Internally developed		9			7	16
Sale, disposals and decommissioning		-7				-7
Purchases and acquisitions		19			12	31
Changes due to reclassification and other movements				-22	-6	-28
Foreign currency differences		-5				-5
Balance at 31 December	**711**	**275**	**3**	**116**	**16**	**1,121**
Amortisation and impairment losses						
Balance at 1 January	29	191		107		327
Change in composition of the Group						
Sale, disposals and decommissioning		-7			1	-6
Amortisation charge for the year		17		7	3	27
Impairment loss recognised in income statement	4	2				6
Changes due to reclassification and other movements				-28		-28
Foreign currency differences		-4				-4
Balance at 31 December	**33**	**199**		**86**	**4**	**322**
Carrying amount						
At 1 January	682	68	3	31	3	787
At 31 December	**678**	**76**	**3**	**30**	**12**	**799**

[1] In the category Software at year-end 2023 an amount of € 9 million is included for internally developed software.

An amount of € 779 million (31 December 2022: € 764 million) of the Intangible assets is expected to be recovered more than twelve months after the reporting date.

The joint venture Onlia Holding Inc. meets the criteria for 'Held for Sale' as of 31 December 31 2023, and is consequently classified as 'Held for Sale' in the balance sheet. As a result, in 2023, the previously recognized goodwill of € 4 million for the joint venture Onlia Holding Inc. has been fully impaired. Additionally, software at Union Zdravotná Poist’ovna A.S. has been impaired by € 2 million. This leads to a total impairment loss of € 6 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

(€ MILLION)

	GOODWILL	SOFTWARE[1]	BRAND NAME	DISTRIBUTION NETWORKS	OTHER INTANGIBLE ASSETS	REVISED TOTAL 2022
Cost						
Balance at 1 January	637	290	3	129		1,059
Change in composition of the Group	74	1		11		86
Internally developed		8				8
Sale, disposals and decommissioning		-52				-52
Purchases and acquisitions		13			3	16
Changes due to reclassification and other movements						
Foreign currency differences		-1		-2		-3
Balance at 31 December	**711**	**259**	**3**	**138**	**3**	**1,114**
Amortisation and impairment losses						
Balance at 1 January		218		96		314
Change in composition of the Group						
Sale, disposals and decommissioning		-52				-52
Amortisation charge for the year		26		6		32
Impairment loss recognised in income statement	29	1		6		36
Changes due to reclassification and other movements						
Foreign currency differences		-2		-1		-3
Balance at 31 December	**29**	**191**		**107**		**327**
Carrying amount						
At 1 January	637	72	3	33		745
At 31 December	**682**	**68**	**3**	**31**	**3**	**787**

1 In the category Software at year-end 2022 an amount of € 29 million is included for internally developed software.
2 Mainly relates to the acquisition of Centraal Beheer PPI N.V. For more information refer to Note 31 Interests in subsidiaries.

In 2022, due to economic developments and hyperinflation in Turkey, the related intangible assets for distribution networks, amounting to € 6 million, were impaired to zero. In addition to the expiration of the strategic premium included in the purchase price for Centraal Beheer PPI N.V., the increased interest rates were a significant driver for the impairment recognized in 2022, totalling € 29 million.

GOODWILL BY CASH GENERATING UNIT

(€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Non-life Netherlands	617	617
Retirement Services Netherlands[1]	45	45
Other	16	20
	678	**682**

1 Within Retirement Services Netherlands an amount of € 45 million relates to the acquisition of Centraal Beheer PPI N.V. For more information refer to Note 31 Interests in subsidiaries.

Goodwill is mainly related to Achmea's Dutch operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

The key assumptions in calculating the value-in-use of Non-Life Netherlands in the annual impairment test are:

NON-LIFE NETHERLANDS

	2023	2022
Average annual insurance revenue growth rate	3.9%	3.4%
Average combined ratio[1]	93.8%	95.0%
Terminal value growth	2.0%	2.0%
Discount rate	7.3%	8.5%

1 The average loss ratio and average expense ratio are no longer reported separately but are presented as the average combined ratio (COR). For 2022, the COR has been determined based on IFRS 4 figures.

The surplus, being the positive difference between the recoverable amount and carrying amount, for Non-life Netherlands amounts to € 395 million (2022: € 1,406 million). The surplus for 2022 is based on IFRS 4 figures. The recoverable amount for the cash generating unit Non-life Netherlands is sensitive for deviations within key assumptions.

EFFECTS OF CHANGE IN ASSUMPTIONS NON-LIFE

(€ MILLION)

2023	CHANGE OF RATIO WITH	Δ SURPLUS
Average annual premium/sales growth rate	-0.5%	-235
Average combined ratio[1]	0.5%	-256
Terminal value growth	-0.5%	-58
Discount rate	0.5%	-262

1 The average loss ratio and average expense ratio are no longer reported separately but are presented as the average combined ratio (COR). For 2022, the COR has been determined based on IFRS 4 figures.

The key assumptions in calculating the value-in-use of Retirement Services Netherlands in the annual impairment test are:

ACHMEA INVESTMENT MANAGEMENT B.V

	2023	2022
Average annual revenue growth rate	3.1%	3.4%
Terminal value growth	2.0%	2.0%
Discount rate	9.2%	10.3%

CENTRAAL BEHEER PPI N.V.

	2023	2022
Average annual revenue growth rate	8.4%	9.9%
Terminal value growth	2.0%	2.0%
Discount rate	9.2%	11.9%

The surplus, being the positive difference between the recoverable amount and carrying amount, for cash generating units within Retirement Services Netherlands amounts to € 30 million (2022: € 22 million). The recoverable amount for these cash generating units (Achmea Investment Management B.V. and Centraal Beheer PPI N.V.) is sensitive for deviations within key assumptions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

EFFECTS OF CHANGE IN ASSUMPTIONS ACHMEA INVESTMENT MANAGEMENT B.V

(€ MILLION)

2023	CHANGE OF RATIO WITH	Δ SURPLUS
Average annual revenue growth rate	-0.5%	-7
Terminal value growth	-0.5%	-2
Discount rate	0.5%	-8

EFFECTS OF CHANGE IN ASSUMPTIONS CENTRAAL BEHEER PPI N.V.

(€ MILLION)

2023	CHANGE OF RATIO WITH	Δ SURPLUS
Average annual revenue growth rate	-0.5%	-1
Terminal value growth	-0.5%	-1
Discount rate	0.5%	-4

ACCOUNTING POLICIES FOR INTANGIBLE ASSETS

Below, the specific initial accounting policy is described for each category of intangible assets. Based on management expectations, Achmea assesses whether the useful life is limited (usually not more than 20 years) or indefinite. Unless another method is more appropriate, assets with a finite useful life are depreciated using the straight-line method after initial measurement (less impairment losses, if any). Assets with an indefinite useful life are tested annually for impairment. Expenditures on internally generated goodwill, brand names, research costs and service costs are recognised as expenses in the statement of profit and loss as they are incurred.

Goodwill
Goodwill arising on a business combination represents the excess of the consideration transferred to acquire the business over the fair value of the net identifiable assets, liabilities and contingent liabilities acquired at acquisition date. Goodwill is stated at cost less accumulated impairment losses. Recognised goodwill is subject to an impairment test at least annually. Achmea has allocated the acquired goodwill due to business combinations to cash generating units (CGUs) that are expected to benefit from the business combination. This is done on the basis of synergies expected to be realised by the combination. Goodwill is monitored at business unit level, being an aggregation of products or group of products with the same risk characteristics and at which level risks are managed and capital is allocated. Any excess of the carrying amount of the domain over its recoverable amount will firstly be allocated to goodwill. Impairment tests at CGU level are performed at a fixed time every year and more frequently if triggering events occur. If an impairment loss occurs, it will be allocated to the relevant CGU. An impairment recognised for goodwill is not subject to reversal in a subsequent period.

Software
Externally acquired and internally developed software is recognised at cost (including borrowing cost incurred). The maximum useful life of software is five years or ten years when related to insurance policy systems. Software that is an integral part of a computer or a computer-controlled tool and in which that tool or computer does not work without the software (e.g. operating system software), is classified as equipment.

Brand name
Purchased brand name are recognised as an intangible asset. The initial measurement of a brand name is based on the application of the 'relief from royalty method', with the use of market observable variables and when not available management expectations that are presumed to be representative of assumptions market participants would use.

Distribution networks
When Achmea enters into a business combination it recognises distribution networks as an intangible asset. The initial measurement of this intangible asset is based on the application of the 'multi-period excess earnings method', with the use of market observable variables and management expectations. The valuation techniques used are commonly applied within the industry.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Other intangible assets
Other intangible assets acquired by Achmea are stated at cost less accumulated amortisation and impairment losses. Other intangible assets are capitalised and amortised over their expected useful lives, which on average are between 5 and 20 years.

Impairment
At each reporting date, Achmea assesses whether an indication of an impairment exists for intangible assets with a finite useful economic life. Various indicators are used, such as whether the intangible asset is abandoned, readily obtainable in the market, or the cost to maintain the intangible asset is significantly higher than expected. An impairment on Intangible assets is recognised as Other expenses in the statement of profit and loss. In addition, Achmea assesses at each reporting date whether there is any indication that an impairment loss recognised in a prior period for intangible assets may no longer exist or may have decreased. Achmea considers the various indicators, such as: whether the asset's market value has increased significantly during the period; whether significant changes (technological, market, economic or legal environment) with a favourable effect on Achmea have taken place during the period; whether market interest rates have decreased and are likely to affect the discount rate used in calculating value in use and increase recoverable amount materially. If this is the case, the carrying amount of the intangible asset is increased to its recoverable amount. An increase in the carrying amount of the asset due to the reversal of the impairment may not exceed the carrying amount if no impairment loss would have been recognised in the prior period. A reversal of an impairment on Intangible assets is recognised as Other expenses in the statement of profit and loss.

13. ASSOCIATES AND JOINT VENTURES

(€ MILLION)

NAME OF THE COMPANY	COUNTRY	DESCRIPTION OF BUSINESS	DATE OF ACQUISITION / STARTING DATE	% OWNERSHIP 2023	% OWNERSHIP 2022	NET ASSET VALUE 2023	NET ASSET VALUE 2022	**BOOK VALUE 31 DECEMBER 2023**	BOOK VALUE 31 DECEMBER 2022
Garanti Emeklilik ve Hayat A.S.	Turkey	Life insurance	2007	15%	15%	15	16	15	16
Onlia Holding Inc.	Canada	Non-life insurance	2018		50%		13		13
Wagenplan B.V.	The Nether-lands	Leasing	2001	40%	40%	7	7	7	7
De Vereende N.V.	The Nether-lands	Non-life insurance	2020	20%	20%	7	6	7	6
								42	**46**

Although Achmea holds less than 20% of the shares of Garanti Emeklilik ve Hayat A.S., Achmea exercises significant influence thanks to its strategic interest, close cooperation with Eureko Sigorta and the contractual right to appoint a Board member.

During the 2022 and 2023 financial year, Turkey qualified as a country in hyperinflation. Achmea applied hyperinflation accounting for the interest in the Turkish participation Garanti Emeklilik ve Hayat A.S. as described in the general accounting policies.

In 2023, the Joint Venture Onlia Holding Inc. meets the criteria as an asset 'Asset held for sale' and therefore is reclassified to 'Assets held for sale', refer to note 20 Assets and Liabilities Held for Sale and Divestments.

The carrying amount of associates and joint ventures is determined based on the IFRS financial statements of the same financial year of those entities (which accounting policies do not significantly differ from Achmea's accounting policies) to the extent available. If this is not available, Achmea bases the carrying amount on provisional, unaudited figures, derived from the associate or joint venture. Achmea has determined that, in the past, there were no material differences between those preliminary, unaudited figures and the IFRS financial statements of the associate or joint venture in question.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

14. PROPERTY FOR OWN USE AND EQUIPMENT

(€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Property for own use		
In use	175	211
In development		
Equipment		
Software	2	4
Hardware	23	21
Office furniture	6	12
Other	19	19
Right of use of property and equipment		
Property Own Use	88	100
Equipment	14	11
	327	**378**

In 2023, Achmea had nearly all of its property for own use valued by external appraisers and adjusted the balance sheet value accordingly.

During 2023, the carrying amount of the right of use of € 111 million decreased by € 8 million, consisting of a decrease due to depreciation of capitalised rights of use (€ 18 million) and an increase in new leases (€ 10 million).

KEY ASSUMPTIONS TO DETERMINE THE FAIR VALUE OF PROPERTY FOR OWN USE

Various assumptions should be made and techniques applied in valuing property whereby these assumptions and techniques, may have significant consequences for the valuation. The methods used to determine the revalued amount for Property for own use and fair value of Investment property are described in Note 8 Fair value hierarchy. The assumptions used in applying some of these methods are supported by the terms of any existing lease and other relevant contracts and by external evidence such as recent and expected general economic trends, current market rents for similar properties in the same region and condition. Components of assets and related liabilities are classified as 'Held for sale' when it is highly probable that the carrying amount will be recovered principally through a sale transaction rather than through continuing use.

ACCOUNTING POLICIES PROPERTY FOR OWN USE AND EQUIPMENT

Property for own use

Property for own use is measured at fair value at the date of revaluation less any (subsequent) accumulated depreciation and any (subsequent) accumulated impairment losses. Property for own use that is under construction or in development is stated at cost until its fair value can be reliably determined. Changes in the carrying amount resulting from revaluations of Property for own use are recorded in the Revaluation reserve, part of Total equity net of deferred taxes. A decrease in the carrying amount due to revaluation is recognised in the Revaluation reserve, part of Total equity, to the extent of any credit balance existing in the revaluation reserve in respect of that asset and for the remaining part in the statement of profit and loss. A revaluation decrease will be reversed through the statement of profit and loss in subsequent years if the revalued amount is higher than the carrying amount, but not higher than the cost minus accumulated depreciation. When Property for own use is derecognised, revaluations included in the Revaluation reserve will be transferred directly to Retained earnings and not through the statement of profit and loss. If Property for own use comprises major components with a different useful life, they are accounted for as separate items

Depreciation on Property for own use is charged to the Income Statement on a straight-line basis over the estimated useful economic life, generally not exceeding fifty years. The depreciation method and useful economic life are reviewed annually and adjusted if circumstances or expectations have changed significantly. Land is not depreciated. When Property for own use or its separate items accounted for is revalued, the cumulative depreciation is eliminated against the gross carrying amount of that item of Property for own use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Equipment
Equipment is measured at cost (including borrowing costs incurred) less accumulated depreciation and impairment losses. If equipment comprises major components with a different useful life these are accounted for as separate items. Depreciation is charged to the Income Statement on a straight-line basis. The estimated useful life is: operating software three to five years, hardware three to four years, office furniture (including components) three to six years and other equipment three to six years. The depreciation method and useful life of equipment is reviewed annually and altered prospectively if circumstances or expectations have changed significantly

Right-of-use asset for property for own use and equipment
Achmea makes use of the option not to recognise right-of-use assets and lease liabilities in the balance sheet for short-term leases (12 months or less) or leases of low-value assets (USD 5,000 or less). The right-of-use asset related to the leases is depreciated and recognised in the statement of profit and loss during the term of the lease applying the straight-line method.

Achmea recognises a right of use in the balance sheet on the effective date, which is the date on which the lessor makes the underlying asset available for use. The right-of-use asset is valued at cost minus cumulative depreciation. Upon initial recognition, cost is equal to the amount of the lease liability plus lease payments that preceded the commencement period of the lease, plus initial direct costs, taking into account any costs of dismantling, removing or restoring the underlying asset and minus any lease incentives received.

Right-of-use assets are then depreciated on a straight-line basis over the duration of the lease, unless the economic life is shorter, in which case this is taken as the depreciation period. In addition, where applicable, the right-of-use asset is periodically reduced by impairment losses and, where applicable, adjusted for remeasurements of the lease liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

15. DEFERRED TAX ASSETS AND LIABILITIES

Changes in deferred tax assets and liabilities during the financial year can be specified as follows:

(€ MILLION)

	BALANCE AT 1 JANUARY 2023	RECOGNISED IN INCOME	RECOGNISED IN EQUITY	BALANCE AT 31 DECEMBER 2023
Intangible assets	-6	2		-4
Investments	293	-533	7	-233
Bank assets				
Re-insurance	7	-3		4
Deferred acquisition costs				
Other assets	431	-34		397
Insurance liabilities	596	455		1.051
Employee benefits	3	4	19	26
Other provisions	-29	6		-23
Other liabilities	-514	69		-445
Right of use assets	-23			-23
Right of use liabilities	29	-2		27
Fiscal Goodwill				
Tax losses	227	-34		193
Amortisation	-9	-1		-10
	1.005	**-71**	**26**	**960**
Includes:				
Deferred tax assets				971
Deferred tax liabilities				11

(€ MILLION)

	BALANCE AT 1 JANUARY 2022	RECOGNISED IN INCOME	RECOGNISED IN EQUITY	BALANCE AT 31 DECEMBER 2022
Intangible assets	-6			-6
Investments	-1.978	2.269	2	293
Bank assets				
Re-insurance	-8	15	0	7
Deferred acquisition costs				
Other assets	1.046	-620	5	431
Insurance liabilities	2.774	-2.178		596
Employee benefits	67	2	-66	3
Other provisions	-29			-29
Other liabilities	-991	477		-514
Right of use assets	-24	1		-23
Right of use liabilities	32	-3		29
Fiscal Goodwill				
Tax losses	4	223		227
Amortisation	-	-9		-9
	886	**178**	**-59**	**1.005**
Includes:				
Deferred tax assets				1.031
Deferred tax liabilities				26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

The tax rates used to calculate deferred tax assets and liabilities vary by tax jurisdiction and were between 10% and 36% in both 2023 and 2022. The tax jurisdiction with the largest result and tax share is the Netherlands.

From 1 January 2023 the Non-life insurers at Achmea will use IFRS 9 and 17 as their tax basis. This leads, among other things, to a simpler and more reliable tax return. Because the tax bases are more similar to IFRS, this also contributes to a better steering towards an effective tax burden of 15% at Achmea for Pillar 2 purposes.

The Achmea BV fiscal unit can offset € 34 million in losses in the 2023 corporate income tax return.

An amount of € 960 million (2022: € 1.005 million) of the Deferred tax assets and liabilities is expected to be recovered, to a large extent, more than twelve months after reporting date. Recognition of these Deferred tax assets is underpinned by the presence of sufficient annual taxable profit capacity during the reversal period. This substantiation is analysed for the Dutch entities that are part of the fiscal unit at the fiscal unit level. In addition, various scenarios are analysed for Achmea Pensioen- en Levensverzekeringen N.V. regarding lower and higher equity positions and interest rates. For the remaining entities, the presence of sufficient tax earning capacity is analysed at the single level.

An amount of € 58 million (2022: € 58 million) of deferred tax assets due to tax losses from previous years has not been recognised. This amount relates to an amount of tax losses in Greece (€ 11 million), Australia (€ 34 million) and in Canada (€ 13 million). For these losses, it is unlikely that future taxable profits will be available against which the temporary difference can be offset. The recognised deferred tax assets relating to prior years' deductible losses have been valued based on the legislation in force.

Results within the Dutch Health Insurance business are reported as non-taxable results, based on the current tax laws. The tax exemption is applicable as far as these results are not distributed. When results are partly or fully distributed, the annual results of the Dutch Health Insurance Framework will no longer be exempted from corporate tax. The annual results will then be taxable against the then current corporate tax rate.

Effective 31 December 31 2023 the Minimum Tax Act 2024 entered into force. This legislation implements EU Directive 2022/2523 and stems from the agreements made within the OECD context on the introduction of a minimum profit tax of effectively 15% (Pillar 2). The law applies to multinational companies with an annual turnover of more than € 750 million. In May 2023, the IASB included in IAS 12 a mandatory temporary exception for recognition and disclosure of deferred tax effects arising from the Pillar 2 tax law. Achmea has applied this mandatory exception.

KEY ASSUMPTIONS AND ESTIMATES TO DETERMINE THE DEFERRED TAX ASSETS

Deferred tax assets are established for the tax benefit related to deductible temporary differences, carry forwards of unused tax losses and carry forwards of unused tax credits when, in the judgement of management, it is likely that Achmea will receive the tax benefits. A change in accounting estimate could have a substantial effect on the value of the deferred tax asset. In determining the tax position, Achmea has taken into account its estimate of the associated future expenses. Furthermore, management considers tax planning strategies to increase the likelihood that the tax assets will be realised.

ACCOUNTING POLICIES FOR DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax liabilities are calculated based on the 'liabilities' method for temporary discrepancies between the carrying amount for financial reporting purposes of assets and liabilities and the fiscal carrying amount of these assets and liabilities. The amount of deferred tax provided for is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

16. RECEIVABLES AND ACCRUALS

RECEIVABLES AND ACCRUALS

(€ MILLION)

	2023	REVISED 2022
Receivable from provided collateral in the form of cash[1]	325	417
Investment receivables	115	379
Debtors non-insurance	140	159
Taxes and social security premiums	105	85
Contibutions from Dutch Health insurance fund	19	18
Undue payments to Dutch hospitals	768	701
Prepayments and accrued income	139	123
Other receivables	109	24
Other assets		8
Balance at 31 December	**1,720**	**1,914**

1 Receivable from provided collateral in the form of cash relates to cash collateral amounts provided by Achmea depending on the current value of the derivative.
2 Including impact of hyperinflation in Turkey. For more information on hyperinflation refer to the Accounting Policies.

An amount of € 87 million (31 December 2022: € 97 million) of the Receivables and accruals is expected to be recovered after twelve months after reporting date. For receivables expected to be recovered within twelve months after reporting date, the carrying amount is a reasonable approximation of the fair value. The fair value of receivables expected to be recovered after twelve months after the reporting date amounts to € 87 million as at 31 December 2023 (31 December 2022: € 95 million). Impairment losses recognised in 2023 related to Receivables and accruals amounted to € 1 million (31 December 2022: nil) and are included in Other expenses.

ACCOUNTING POLICIES FOR RECEIVABLES AND ACCRUALS

Receivables and accruals are measured at amortised cost, which usually equals the nominal value, adjusted for accumulated impairment losses.

17. CASH AND CASH EQUIVALENTS

(€ MILLION)

	31 DECEMBER 2023	REVISED 31 DECEMBER 2022
Cash and bank balances	1,335	1,175
Call deposits	599	771
Balance at 31 December	**1,934**	**1,946**

Cash and cash equivalents subject to restrictions amount to € 9 million (31 December 2022: € 7 million).

ACCOUNTING POLICIES FOR CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash, bank balances and call deposits and are measured at fair value. The fair value is in line with the nominal value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

18. EQUITY

Changes in Equity are specified in the Consolidated statement of changes in equity.

OVERVIEW SHARE CAPITAL

	NUMBER OF ORDINARY SHARES	NOMINAL VALUE ORDINARY SHARES	NUMBER OF PREFERENCE SHARES	NOMINAL VALUE PREFERENCE SHARES	NUMBER OF A-SHARES	NOMINAL VALUE A-SHARES
	(PAR VALUE € 1 PER SHARE)	(€ MILLION)	(PAR VALUE € 1 PER SHARE)	(€ MILLION)	(PAR VALUE € 1 PER SHARE)	(€ MILLION)
Authorised	2,103,943,009	2,104	60,000,000	60	1	0
Shares issued 1 January 2022	410,820,173	411	23,904,060	24	1	0
Shares issued 31 December 2022[1]	**410,820,173**	**411**	**23,904,060**	**24**	**1**	**0**
Shares issued 1 January 2023	410,820,173	411	23,904,060	24	1	0
Shares converted in 2023		0	-23,904,060	-24		
Shares issued 31 December 2023[1]	**410,820,173**	**411**			**1**	**0**

[1] All issues shares are fully paid up, Achmea B.V. itself is the shareholder of part of the shares. For more information refer to the paragraph 'Own Shares'. For a specification of other shareholders, see Other information, Shareholders of Achmea B.V. at 31 December 2023.

Share premium

The Consolidated Statement of Changes in Equity includes an amount of € 11.001 million as Share Capital/Premium. Share premium amounts to € 10.590 million and is paid up by shareholders. This share premium reserve comprises share premium paid in by holders of ordinary shares and holders.

Share rights, preferential rights and restrictions

Each share entitles the holder to cast one vote at the General Meeting. Stichting Administratiekantoor Achmea holds the A share. Special rights apply to the A share. Many decisions of the General Meeting of Achmea B.V. can only be taken with the approval of the A-share holder. The General Meeting decides whether or not to pay dividends to the holders of preference and ordinary shares.

When an external dividend is to be distributed, an assessment is made of whether the distribution is responsible by testing against the risk appetite. A key factor in this assessment is holding company liquidity. The holding company liquidity depends on the amounts distributed to Achmea B.V. by the legal entities – mainly Achmea Pensioen- en Levensverzekeringen N.V. and Achmea Schadeverzekeringen N.V. The level of interest for discounting the insurance liabilities has a major impact on the amounts that can be distributed to Achmea B.V. from the aforementioned insurance entities and therefore on holding liquidity.

Achmea B.V. repurchased the outstanding € 356 million of preference shares on 31 December 2023, of which Achmea itself already held € 89 million in depositary receipts. The preference shares were issued in 2004 to various banks and institutional investors to strengthen the capital position. The Executive Board periodically reviews and discusses Achmea's capital efficiency.

Based on this and in the interests of Achmea and its stakeholders, the Executive Board has taken the aforementioned decision, bearing in mind, among other things, that (i) the preference shares would no longer qualify as equity under Solvency II in accordance with the current conditions as of 1 January 2026, (ii) 1 January 2024 was the statutory reset date for the (adjustment of the) dividend percentage in respect of the preference shares for the next ten years and (iii) a successful issue of Tier 2 capital instruments took place in 2023.

An overview of the shareholders of Achmea B.V. as at 31 December 2023 is presented under Other information.

Own shares

The item 'Own shares' consists of the ordinary shares purchased by Achmea B.V. Previously, the item 'Own shares' also included the interest that Achmea B.V. had indirectly as holder of the depositary receipts on the preference shares.

No voting rights are attached to repurchased own shares and no dividend is payable on them.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Legal reserve

A legal reserve must be maintained for the retained earnings with regard to associates and joint ventures, internally developed capitalised software and healthcare offices.

An amount of € 87 million (31 December 2022: € 80 million) of Total equity end of year 2023 is related to a number of subsidiaries subject to regulatory restrictions. Amounts included in the legal reserve cannot be distributed to shareholders. In addition to this Legal Reserve, there are other restricted reserves that may not be distributed to shareholders, as explained below. Further reference is made to Note 2 Capital and Risk Management where restrictions under the SII legislation are explained.

Revaluation reserve

Based on the accounting policies used by Achmea, a revaluation reserve is formed. In addition, Dutch regulations require Achmea to establish a legal reserve for all positive unrealised fair value changes for assets not listed on active markets and for which the unrealised fair value changes are recognised in the statement of profit and loss. In determining the revaluation reserve the unrealised fair value changes of insurance contracts are taken into account in accordance with RJ 240. The reserve is formed by transferring the required amounts from Other reserves to the Revaluation Reserve. Both, the Revaluation reserve as well the Legal reserve are not freely distributable.

Part of the Revaluation Reserve relates to property for own use. The surplus in the revaluation reserve for property for own use stands at € 17 million at the end of 2023 (2022: € 38 million).

Foreign currency differences reserve

Assets and liabilities of foreign subsidiaries with a functional currency other than the euro are translated into euros at the exchange rate on the balance sheet date. The revenues and expenses of these subsidiaries are converted at the average exchange rate for the financial year. Conversion differences arising from the application of exchange rates at the balance sheet date to the opening balance sheet of net assets and goodwill of subsidiaries, as well as conversion gains and losses for the year under review, are recognised under Foreign Currency Differences Reserve. Amounts included in the Foreign Currency Differences Reserve cannot be distributed to shareholders. Most of the foreign currency business is conducted in Turkish lira at the subsidiary Eureko Sigorta and the associate Garanti Emeklilik ve Hayat A.S.

Hedging reserve

The amounts included in the Hedging reserve from the hedge accounting cash flow cannot be distributed to shareholders. When determining non-distributable amounts under Dutch law, these positions cannot be offset. As a result, in relation to the Hedging reserve, an amount of € 7 million (2022: € 7 million) cannot be distributed to shareholders. When the hedge relationship is terminated, Achmea amortises the related fair value adjustment over the remaining term of the hedged position.

Other reserves

Results within the Dutch Health Insurance business are reported as non-taxable results, based on the current tax laws. In addition, the results are excluded from the calculation of the minimum tax payable by Achmea following the Wet minimumbelasting 2024. The above-mentioned exemptions apply if these results are not distributed by Achmea Zorgverzekeringen N.V. When results are partly or fully distributed, the annual results will no longer be exempted from corporate tax and are part of the minimum tax to be calculated by Achmea. The annual results will then be taxable against the then current corporate tax rate.

The Other reserves include an amount of € 155 million relating to defined benefit liability (December 2022: € 101 million negative). The movement in the related liabilities relating to Achmea’s defined benefit liability are included in Net other comprehensive income.

The proposal regarding the appropriation of profit is included in Achmea B.V.'s separate financial statements for 2023, Note 20 Proposed appropriation of profit.

Other equity instruments

Achmea has two Other equity instruments to support the financing of the organisation. These Other equity instruments are hybrid loans of € 500 million in Perpetual Capital Securities with a coupon of 4.625% and a hybrid loan of € 750 million with a coupon of 4.25%. These equity instruments are classified as Other equity instruments and their purpose is to support the financing of the organisation. The Perpetual Capital Securities qualify as Restricted Tier 1 notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

These hybrid loans, listed on the Irish Stock Exchange, have a very long maturity period. The contractual terms are such that the payment/pay out of coupon and redemption is at the disposal of the company and no pre-agreed payment obligations apply. As a result, the loans qualify as Equity under IFRS. Coupon payments on Other equity instruments are determined by Achmea and subject to the limitations described in the prospectus. The coupon payments will be charged to Other reserves, part of Total equity.

Coupon payments on Other equity instruments are determined by Achmea and subject to the limitations described in the prospectus. The coupon payments will be charged to Other reserves, part of Total equity.

ACCOUNTING POLICIES FOR EQUITY

Achmea B.V. shares held by the company (own shares) are deducted from the Total equity at the time of acquisition by Achmea or its subsidiaries on the basis of the purchase price paid. Results after the subsequent sale of these treasury shares are recognised directly within Total equity.

Minority interest

Each minority interest in subsidiaries is presented as a separate component within Total equity and is equal to the minority interest in the subsidiary's equity based on Achmea's accounting policies.

19. OTHER PROVISIONS

(€ MILLION)

	2023	REVISED 2022
Pensions	848	780
Other provisions	90	96
Balance at 31 December	**938**	**876**

PENSIONS

(€ MILLION)

31 DECEMBER 2023	THE NETHERLANDS	OTHER COUNTRIES	TOTAL
Present value of defined benefit obligation	845	3	848
Fair value of total investments backing defined benefit obligation	-647		-647
Fair value of non-qualifying investments backing defined benefit obligation	647		647
Unfunded status	**845**	**3**	**848**
Effect of asset ceiling			
Net defined benefit liability	**845**	**3**	**848**

(€ MILLION)

31 DECEMBER 2022	THE NETHERLANDS	OTHER COUNTRIES	TOTAL
Present value of defined benefit obligation	778	2	780
Fair value of total investments backing defined benefit obligation	-687		-687
Fair value of non-qualifying investments backing defined benefit obligation	687		687
Unfunded status	**778**	**2**	**780**
Effect of asset ceiling			
Net defined benefit liability	**778**	**2**	**780**

Achmea has a pension scheme for the majority of its employees. The pension scheme administered by Stichting Pensioenfonds Achmea, applies to the majority of the more than 12.000 employees in the Netherlands and is a so-called collective defined contribution (CDC) scheme. Achmea's obligation is limited to paying the agreed upon premium for the current service year. Contributions paid to the collective defined contribution scheme amounted to € 198 million in 2023 (2022: € 229 million). The contribution is equal to the actuarially required premium for the purchase price for the pension accrual to be acquired in that year, taking into account the current interest rate.

Achmea's defined benefit liability is largely related to accrued rights related to former defined benefit obligations of a number of former employees. This defined benefit liability applies in the Netherlands and for a limited amount in Greece.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

The accrued rights of the former defined benefit liability in the Netherlands of a number of (former) employees are insured with Achmea Pensioen- en Levensverzekeringen NV, and therefore Achmea retains the financial and actuarial risks.

For the accrued rights of the former defined benefit pension schemes of a number of (former) employees in the Netherlands that are insured with Achmea Pensioen- en Levensverzekeringen N.V. and Stichting Bedrijfstakpensioenfonds Zorgverzekeraars, an indexation of pension rights applies that is administered by Stichting Pensioenfonds Achmea on the basis of the administration agreement, which risk will be borne by Achmea from 2025 onwards.

MOVEMENT TABLE PENSIONS 2023

(€ MILLION)

	DEFINED BENEFIT OBLIGATION	FAIR VALUE OF INVESTMENTS BACKING DEFINED BENEFIT OBLIGATION	NET PENSIONS 2023
Balance at 1 January	780		780
Net interest expense on net defined benefit liability	29		29
Remeasurement of net defined benefit liability			
Actuarial gains and losses arising from changes in demographic assumptions			
Actuarial gains and losses arising from changes in financial assumptions	60		60
Experience gains and losses	13		13
Benefits paid by the plan			
Benefits paid	-34		-34
Balance at 31 December	**848**		**848**

MOVEMENT TABLE PENSIONS 2022

(€ MILLION)

	DEFINED BENEFIT OBLIGATION	FAIR VALUE OF INVESTMENTS BACKING DEFINED BENEFIT OBLIGATION	NET PENSIONS 2022
Balance at 1 January	1,058		1,058
Net interest expense on net defined benefit liability	13		13
Remeasurement of net defined benefit liability			
Actuarial gains and losses arising from changes in demographic assumptions	3		3
Actuarial gains and losses arising from changes in financial assumptions	-270		-270
Experience gains and losses	9		9
Benefits paid by the plan			
Benefits paid	-33		-33
Balance at 31 December	**780**		**780**

SIGNIFICANT ACTUARIAL ASSUMPTIONS AT BALANCE SHEET DATE (EXPRESSED AS WEIGHTED AVERAGE ASSUMPTIONS)

	2023		2022	
	NETHERLANDS	OTHER COUNTRIES	NETHERLANDS	OTHER COUNTRIES
Discount rate	3.20	2.44	3.70	0.21
Future salary increases[1]		2.73		0.03
Future pension increases[1]				
Future pension increases for current benefits	0.99		0.90	
Staff turnover ratio[1]		4.59		2.30

[1] In the Netherlands, there are no longer any active members with DB schemes. For this reason, these actuarial assumptions are no longer presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

The weighted average duration of the Defined benefit liability is 14 years (2022: 14 years). The term of the expected undiscounted cash flows relating to the defined benefit liability is less than 10 years for an amount of € 404 million (31 December 2022: € 358 million).

OTHER PROVISIONS

(€ MILLION)

2023	RESTRUCTURING	LEGAL CLAIMS	EMPLOYEE BENEFITS (EXCLUDING PENSIONS)	OTHER	TOTAL
Balance at 1 January	12	8	44	32	96
Change in composition of the group					
Additions	18		13		31
Usage	-15	-2	-7	-3	-27
Released	-3	-2	-3	-1	-9
Balance at 31 December	**12**	**4**	**46**	**28**	**90**
Current	8	1	12	9	30
Non-current	4	3	34	19	60
Balance at 31 December	**12**	**4**	**46**	**28**	**90**

(€ MILLION)

REVISED 2022	RESTRUCTURING	LEGAL CLAIMS	EMPLOYEE BENEFITS (EXCLUDING PENSIONS)	OTHER	TOTAL
Balance at 1 January	18	10	42	27	97
Change in composition of the group				12	12
Additions	17	5	10		32
Usage	-21	-7	-4	-1	-33
Released	-2		-4	-6	-12
Balance at 31 December	**12**	**8**	**44**	**32**	**96**
Current	12		10	7	29
Non-current		8	34	25	67
Balance at 31 December	**12**	**8**	**44**	**32**	**96**

Restructuring

In the context of restructuring programmes announced earlier, a provision was accounted for an amount of € 12 million as of 31 December 2022 (31 December 2022: € 12 million). The most important assumptions used in determining this restructuring provision relate to the average salary, the reassignment period and the probability of a reassignment to another position within Achmea or elsewhere.

Legal claims

Legal claims include provisions related to legal claims and possible compensations in relation to insurance and non-insurance activities of Achmea. Due to the nature of these provisions, the expected maturity is uncertain, but most claims are expected to have a maturity of more than twelve months after the balance sheet date. The value of legal claims is determined based on management judgement, external professional assessment and experience. In the statement of profit and loss, the expenses related to this provision are presented net of the amount recognised for reimbursement. The total amount added to legal claims in 2023 has a limited impact on the net result.

Employee benefits (excluding pensions)

Employee benefits provisions include employee benefits payable after more than twelve months after the reporting date, including provisions for long-service benefits. These provisions have different expected settlement dates, but the main part is expected to have a maturity of more than twelve months after the reporting date. The value of Employee benefits provisions is determined, based on management judgement, external professional assessment and experience.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Other

Other provisions consist of provisions related to the business activities and various other provisions. These provisions have different expected settlement dates, but the main part is expected to have a maturity of less than twelve months after the reporting date. The value of Other provisions is determined based on management judgement, external professional assessment and experience.

KEY ASSUMPTIONS AND ESTIMATES OF OTHER PROVISIONS

Pensions

The determination of the provision for the defined benefit liability scheme is based on actuarial models and calculations based on the projected unit credit method. Inherent in these actuarial models are assumptions for discount rates, rates of increase for future salary and benefit levels, mortality rates, expected increases in healthcare costs and the consumer price index. The assumptions are based on available market data and are updated annually. The discount rate for the defined benefit liability is determined using market yields on corporate bonds with a high credit rating (AA rating or better). Achmea uses the Towers Watson Rate: Link curve. Assumptions regarding future mortality rates are determined based on actuarial advice in line with published statistics and experience in each country. To determine the defined benefit liability, the prognosis table 'AG2022, including fund-specific experience mortality' is applied in the Netherlands. Actuarial assumptions may differ from actual results due to changed market conditions, economic trends, mortality rates and other assumptions. Any changes in assumptions may affect the valuation of defined benefit liability plans.

Other provisions

Determining provisions is an inherently uncertain process that involves estimates regarding amounts and timing of cash flows.

ACCOUNTING POLICY FOR OTHER PROVISIONS

Pensions

Contributions payable under defined benefit liability schemes are recognised as expenses in the statement of profit and loss as they are incurred. The net liability with regard to defined benefit liability schemes is calculated separately for each scheme using the projected unit credit method. Under this method, future benefits attributable to employment in the current and prior periods are estimated. The percentages used for wage developments, discounting and other adjustments reflect the specific circumstances of each country. The liability is discounted to determine the present value. The fair value of the plan pension investments is then deducted to calculate the Net defined benefit liability/assets.

The accrual costs for the current service year and net interest on the Net defined benefit liability/assets, based on assumptions at the beginning of the reporting period, are recognised in the statement of profit and loss. The revaluations of the Net defined benefit liability are included in the consolidated statement of comprehensive income. The calculation of the Net Defined Benefit Liability includes the future employee contributions.

Achmea recognises service costs for past employment as an expense, at the first moment of:

A. a change to the pension scheme or a curtailment thereof; and

B. when it recognises related service charges or severance payments.

Achmea recognises a gain or loss that occurs on the settlement of a defined benefit liability plan at the time of settlement. The present value of defined benefit liability on the balance sheet date is recognised up to the amount of the economic benefit available to Achmea in the form of a refund from the plan or future contribution reductions. Where Achmea is not unconditionally entitled to the excess within the pension scheme, the excess is not included as a receivable in the Statement of financial position.

Other provisions

Other provisions are recognised when a legal or constructive obligation exists that arises from a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and can be reliably estimated. If the provision is to be used over a period longer than one year, the expected cash flows are discounted.

A restructuring provision is recognised when management has approved a detailed and formal restructuring plan and the restructuring has either commenced before the reporting date or the main features of the plan have been announced to the parties involved. No provision is made for costs relating to Achmea's ongoing operations. Achmea's net liability in respect of long-term employee benefits, other than a pension plan, represents the amount for future benefits earned by employees by virtue of their service in the current and prior periods. The liability is calculated using the projected unit credit method and is discounted. The fair value of assets held in respect of this liability is deducted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

20. ASSETS AND LIABILITIES HELD FOR SALE AND DIVESTMENTS

Assets held for sale

Achmea has an investment property portfolio of which € 38 million as at 31 December 2023 (2022: € 26 million) meets the criteria for 'Held for sale'. This part of the portfolio is classified as Assets classified as 'Held for sale'.

The Onlia Holding Inc. joint venture (part of the segment International) meets the criteria for 'Held for sale' as of 31 December 2023 and is therefore classified as 'Held for sale' in the balance sheet in the amount of € 8 million. An impairment loss of € 4 million was deducted from the amount reclassified and recognised in 'Other expenses'. As a result, the previously recognised goodwill of € 4 million was fully impaired for the Onlia Holding Inc. joint venture and the joint venture value was decreased by € 8 million. The net result for the joint venture Onlia Holding Inc. is included in the 'Results from associates and joint ventures' in the amount of € 9 million (2022: € 8 million). The cash flows related to this joint venture are explained in the 'Consolidated statement of cash flows'.

ACCOUNTING POLICY FOR ASSETS AND LIABILITIES HELD FOR SALE

Assets or components of assets and related liabilities are classified as 'Held for sale' if it is highly probable that the carrying amount will be realised primarily through sale rather than through continued use.

The sale of an asset or a related set of assets is highly probable if:

- Achmea is committed to a plan to sell these assets and has initiated activities to find a buyer;
- There is a sales effort to dispose of the assets at a price reasonably related to the current fair value;
- The sale is expected to take place within one year from the date of the 'Held for sale'classification

Assets and liabilities classified as 'Held for sale' are measured at the lower of carrying amount or fair value less costs to sell and are presented separately in the Statement of financial position.

If a loss occurs when the assets and liabilities are classified as 'Held for sale', this loss will be recognized in the statement of profit and loss under Other expenses.

21. INCOME FROM SERVICE CONTRACTS & OTHER INCOME

INCOME FROM SERVICE CONTRACTS & OTHER INCOME

(€ MILLION)

	2023	REVISED 2022
Fee income from trust and other fiduciary activities	324	275
Revenue from service contracts	186	172
Revenue from subleasing a right of use	3	1
Total income from service contracts	**513**	**448**
Other income	44	18
Total	**557**	**466**

The other income relates in particular to fees for property development, asset management and fees for pension administration for affiliated pension funds. This revenue is largely earned during the contract period (continuous service) and mainly in the Netherlands.

ACCOUNTING POLICIES INCOME FROM SERVICE CONTRACTS & OTHER INCOME

There are two categories of other income to be distinguished. First, revenue from a one-off performance that is accounted for in the period in which the performance is delivered. Secondly, revenues from continuous service over a period. If the result of such transaction can be estimated reliably, the proceeds relating to that transaction are accounted for in proportion to the performance performed. The result of a transaction can be estimated reliably when the size of the returns can be measured reliably, the economic benefits are likely to flow to Achmea, the degree of completion of the transaction at the end of the fiscal year can be reliably measured and the transaction costs and transaction completion costs can be measured reliably. If the result of a transaction involving continuous services cannot be estimated reliably, only returns are accounted for the amount of costs recovered ("zero profit method"). Revenues are valued at the fair value of the consideration received or on which entitlement is obtained.

Revenue is accounted for on the basis of progress, with progress being dependent on the nature of the agreement. If an agreement mainly relates to the provision of services, revenue is accounted for to the extent that the services are delivered to a certain date as a percentage of the total services to be provided. If the service includes a certain amount of transactions within a specific period, revenue is linearly accounted for.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

22. INTEREST AND SIMILAR EXPENSES

INTEREST EXPENSES AND SIMILAR EXPENSES

(€ MILLION)

	2023	2022
Interest charges:		
Funds entrusted	120	38
Debt securities issued	117	51
Derivatives held for risk management	83	
Deposits	-39	
Interest lease liabilities	2	2
Other interest expenses	46	42
Other bank charges	-4	4
Total	**325**	**137**

Interest expense and similar expenses amounted to € 325 million and increased by € 188 million due to higher financing expenses and higher interest paid on savings at Achmea Bank.

23. OPERATING EXPENSES

OPERATING EXPENSES

(€ MILLION)

	2023	2022
Salaries	992	926
Social security charges	95	87
Pensions	192	218
Other	145	108
External staff costs	262	229
Total staff cost	**1,686**	**1,568**
Marketing and advertising expenses	93	93
Housing expenses	5	7
Office expenses	48	48
IT-expenses	248	193
Consultancy expenses	83	60
Other expenses	161	154
General expenses	**638**	**555**
Deprecation Property Own Use and equipment	51	52
Depreciation	**51**	**52**
Sales and acquisition costs	179	170
Total	2,554	2,345
Less: allocated Claims handling expenses	-1,764	-1,652
Total	**790**	**693**

Operating expenses that meet the definition of Claims handling expenses respectively Investment expenses are presented as part of Net expenses from insurance contracts respectively Investment income. For more information about Pensions, see Note 19 Other provisions.

The number of internal employees specified below refers to employees with whom Achmea has an employment contract. One FTE is based on a full working week of 34 hours.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

NUMBER OF EMPLOYEES (AT THE END OF THE YEAR BASED ON FTE)

	ACHMEA NETHERLANDS	EUREKO SIGORTA	UNION POISTOVNA	INTERAMERICAN GREECE	OTHER	TOTAL 2023
Internal FTE's	12,364	863	768	1,502	139	15,636
External FTE's	1,907	111	36	85	4	2,143
Total	**14,271**	**974**	**804**	**1,587**	**143**	**17,779**

	ACHMEA NETHERLANDS	EUREKO SIGORTA	UNION POISTOVNA	INTERAMERICAN GREECE	OTHER	TOTAL 2022
Internal FTE's	12,064	812	772	1,507	120	15,275
External FTE's	2,011	84	29	120	7	2,251
Total	**14,075**	**896**	**801**	**1,627**	**127**	**17,526**

General expenses include costs relating to the audit of the financial statements of Achmea B.V. and its subsidiaries. The following table shows the costs relating to the audit.

Ernst & Young Accountants LLP has been appointed as independent external auditor of Achmea with effect from 2021. The amounts included under 'Audit of financial statements' in the table are based on the expenses related to the audit of the financial statements for the relevant financial year, regardless of whether the services of the independent external auditor and the audit firm have already been rendered in that financial year. The expenses include VAT.

EXPENSES RELATED TO THE AUDIT

(€ MILLION)

	ACHMEA NETHERLANDS	OTHER COUNTRIES	TOTAL 2023	ACHMEA NETHERLANDS	OTHER COUNTRIES	TOTAL 2022
Audit financial statements	7	1	8	7	1	8
Other audit services	1		1	1		1
Total	**8**	**1**	**9**	**8**	**1**	**9**

The other audit activities carried out by the independent external auditor are 1) the legal tasks: this is the audit of other financial statements and the audit of supervisory reports under the Financial Supervision Act, and 2) the non-statutory tasks: the audit of specific processes in the internal control environment, audit of the recognition of commissions and subsidies; audit of external accounts under the Healthcare Insurance Act (ZvW) and the Long-Term Care Act (WLZ) for the benefit of supervisors; audit of Solvency II statements for group supervision; specifically agreed upon procedures for third parties; audit of prospectuses and comfort letters; assurance procedures in relation to data conversion; audit of a single financial statement, or an audit of a specific element, account or item of a financial statement; assurance procedures other than audits or reviews of historical financial information; assurance work in relation to the annual report; assurance procedures in relation to cost models.

Costs for accountancy firms other than Ernst & Young Accountants LLP are: other audit services € 0 million (2022: € 0 million), other non-audit services € 12 million (2022: € 5 million), mainly related to advisory and consultancy services.

24. OTHER EXPENSES

OTHER EXPENSES

(€ MILLION)

	2023	REVISED 2022
Amortisation charges on intangible assets	27	32
Impairments on Intangible Assets	6	36
Impairments on cash and cash equivalents, receivables and accrued income	2	3
Other expenses[1]	61	74
	96	**145**

[1] Including € 12 million (2022: € 9 million) of hyperinflationary effects on monetary items and the restatement of income statement items. For more information on hyperinflation refer to General accounting policies.

The Impairments on Intangible assets include impairments of goodwill related to Joint Venture Onlia Holding Inc. of € 4 million and Union zdravotná poisťovňa, a. s. of € 2 million in 2023. Other expenses mainly consist of changes in Other provisions, a redemption amount, donations and hyperinflationary effects on monetary items and the restatement of income statement items.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

25. CORPORATE TAX

RECONCILIATION OF EFFECTIVE TAX AMOUNT

(€ MILLION)

	2023	2022
Result before tax	954	-1,054
	25.8%	25.8%
Local corporation tax	246	-272
Foreign corporation tax	-2	1
Tax effect on:		
Non-deductible expenses	1	9
Tax exempt revenues	-71	2
Tax exempt gains and losses on investments		
Participation exemption	-2	6
Non-deductible losses	4	5
Tax losses utilised		
Perpetuals	-14	
Other	-22	12
Regular (temporary) differences	**-104**	**24**
Effective tax amount	**140**	**-247**

In 2023, the effective tax burden and effective tax rate were € 140 million and 14.7%, respectively (2022: € -247 million and 23.4%).The effective tax rate is equal to the tax payable in the statement of profit and loss expressed as a percentage of commercial profit before tax. This percentage generally differs from the nominal percentage (25.8% in the Netherlands). An important cause of the difference is that the commercial profit is determined based on different rules than the taxable profit in the corporate income tax return. As a result, the commercial profit may contain components that are exempt from tax according to the local profit tax or vice versa. It also happens that components are not recognized commercially in the profit and loss account, but through equity, while these components are included in the fiscal result (so-called permanent differences). Item Other includes € -27 million due to rerecognizing the deferred tax asset at Interamerican Hellenic Life Insurance SA. Other causes through which differences may arise include tax adjustments in prior years or adjustments to the valuation of the deferred tax position due to changes in rates. In the table below we show the reconciliation between the nominal tax rate and the effective tax rate.

SPECIFICATION OF THE CURRENT AND THE DEFERRED INCOME TAX

(€ MILLION)

	2023	2022
Current income tax		
Current year	65	-346
Under/(over) provided in prior years	4	-3
Deferred income tax		
Origination and reversal of timing differences	37	102
Offset of losses	34	
Total income tax expense in Income Statement	**140**	**-247**

Deferred tax of € 960 million is detailed in Note 16: Deferred Tax Assets and Liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

OVERVIEW EXPENSES INCOME TAX ACHMEA PER BUSINESS LINE

(€ MILLION)

	(INSURANCE) REVENU 2023	(INSURANCE) REVENU 2022	RESULT BEFORE TAX 2023	RESULT BEFORE TAX 2022	INCOME TAX EXPENSES 2023	INCOME TAX EXPENSES 2022
Taxable activities per segment						
Non-Life Netherlands	4.053	3.881	404	110	103	29
Pension & Life Netherlands	1.679	1.781	312	-848	77	-218
Retirement Services Netherlands	292	272	42	-33	11	-1
International activities	1.633	1.360	23	-48	-13	12
Other activities	381	317	-108	-233	-39	-70
Dutch non-taxable activities per segment						
Health Netherlands[1]	15.711	14.878	281	-3	1	1
Intersegment eliminations	-262	-226	0	0	0	0
Total activities	**23.487**	**22.263**	**954**	**-1.055**	**140**	**-247**
International activities						
Turkey	332	258	-1	-6	3	5
Slovakia	790	650	15	1	4	4
Griekenland	446	402	24	-23	-20	3
Other	65	51	14	-19	0	0
Total	**1.633**	**1.360**	**23**	**-48**	**-13**	**12**

1 Achmea's healthcare insurance companies are exempt from corporate taxes (Article 5, paragraph 1, letter e, Corporate Tax Act 1969). Achmea meets the condition that the profits can only be used for the benefit of public health institutions.

Effective 31 December 2023 the Minimum Tax Act 2024 took effect (see Note 15). It is expected that under special circumstances Achmea will be liable for additional tax based on this new legislation. This assumption is based on the consideration that the nominal profit tax rate in almost all countries where Achmea operates is well above 15%. Moreover, in most countries there are hardly any permanent differences that could initiate an additional tax. For the years 2020 through 2023, analyses were performed under the assumption that the new regulations had already taken effect. The simplified calculation based on the applicable test shows that Achmea exceeds the required threshold in almost all countries, as a result of which no additional tax would have been due. In addition, for the Netherlands - the country where more than 90% of the turnover is achieved - a more extensive calculation has been carried out under the assumption that in these years the required threshold for application of the simplified calculation would not be met. Also on the basis of this extended calculation, Achmea would not have to pay any additional tax in the Netherlands.

ACCOUNTING POLICIES FOR CORPORATE TAX

Corporate tax on the profit or loss for the year comprises current and deferred tax. Corporate tax is recognised in the statement of profit and loss except to the extent that it relates to items recognised in Total equity, in which case these items are recognised in Total equity net of taxes. Expected tax receivables or payables are based on the taxable profit or loss for the year using tax rates enacted or substantially enacted at reporting date, and any adjustment to corporate tax receivable or payable in respect of previous years. The measurement of the current corporate tax position takes into account uncertainties regarding collectability.

26. RESULT PER SHARE

(€ MILLION)

	2023	2022
Net result	814	-808
Net result	**814**	**-808**

The result per share is calculated as the net result for the financial year and the weighted average number of ordinary shares. The calculation of earnings per share has changed compared to last year due to the adjusted dividend policy (for the principles, please see Note 2 Capital and risk management section. The current calculation of earnings per share no longer includes dividends on preference shares and coupon payments on equity instruments. Diluted earnings per share is equal to the earnings per share from continuing operations. The comprative figures for 2022 have been restated based on the current dividend policy.

WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

	2023	2022
Issued ordinary shares at 1 January	375,685,702	375,685,702
Weighted average number of ordinary shares	**375,685,702**	**375,685,702**

The weighted average number of ordinary shares did not change during 2023 due to the issue of new shares or repurchase of treasury shares.

EARNINGS PER SHARE

	2023	2022
Result per ordinary share (in euros per share)	2,17	-2,15
Result per ordinary share (in euros per share)	**2,17**	**-2,15**

The result per share over 2022 was under IFRS 4 / IAS 9 € 0.09 based on the old dividend policy (€ 0.28 based on the revised dividend policy) and following the accounting principles of IFRS 9/17 it is € -2.15. The main difference in the result is a result of accounting for market value developments of investments and insurance contract liabilities. Under IFRS 9/17 these developments are accounted through the Profit-and-loss statement whereas these were accounted through Equity under IAS 39/IFRS 4.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

27. HEDGE ACCOUNTING

QUANTITATIVE INFORMATION DESCRIBING THE TERMS AND CONDITIONS OF HEDGING INSTRUMENTS

Achmea applies fair value hedge accounting to the interest rate risk connected with banking. The fair value of the interest rate derivatives of the banking activities designated as hedging instruments for hedge accounting purposes as at 31 December 2023 was € -168 million (31 December 2022: € 155 million). Fair value hedge accounting means that the fair value movements of the hedging instrument and the movements in the fair value of the hedged item attributable to hedging risks are recognised in the statement of profit and loss. The interest rate derivatives of the banking activities consist of interest rate derivatives as hedging instruments related to the Banking credit portfolio as well as interest rate derivatives as hedging instruments for financing transactions.

The fair value of derivatives designated as hedging instruments relating to the Banking credit portfolio amounted to € 3 million as at 31 December 2023 (31 December 2022: € 437 million). In accordance with hedge accounting guidelines, the hedge relationship is determined by Achmea each month. The change in fair value of the Banking credit portfolio designated as a hedged item is recognised as part of the Banking credit portfolio and subsequently amortised as a gain or loss for the remaining term of the hedging instrument. The fair value of derivatives designated as hedging instruments in relation to the financing transactions of the banking business amounted to € -171 million as at 31 December 2023 (31 December 2022: € 282 million). In accordance with hedge accounting guidelines, Achmea will establish the hedge relationship for the period that the hedging instrument runs. The change in fair value of financing transactions designated as a hedged item is recognised as part of the Financial liabilities and subsequently amortised as gain or loss for the remaining term of the hedging instrument.

The results of fair value hedge accounting for banking can be summarised as follows:

(€ MILLION)

	GAINS	LOSSES	TOTAL 2023	GAINS	LOSSES	TOTAL 2022
Fair value changes of the hedged item attributable to the hedged risk	634	-442	192	615	-997	-382
Fair value changes of the related derivatives (including discontinuation)	444	-623	-179	1,022	-615	407
Fair value changes of the hedging instrument - ineffective portion	1,078	-1,065	13	1,637	-1,612	25

ACCOUNTING POLICIES FOR HEDGE ACCOUNTING

Achmea applies ‘fair value hedge accounting’ for its banking operations, liquidity management and for certain investment portfolios. When Achmea applies ‘Fair value hedge accounting’, a fair value change of the hedged position is recognised in the statement of profit and loss associated with the hedged risk. Achmea assesses the effectiveness of the hedge relationship at each reporting date. When the hedge relationship is terminated, Achmea amortises the related fair value adjustment over the remaining term of the hedged position. When Achmea applies Cash flow hedge accounting or applies hedge accounting for a net investment in a foreign entity, the net fair value changes of the hedging instruments, for the effective part of the hedge relationship, are recognised under Hedging reserve, as part of Total equity. Fair value changes due to hedge relationship ineffectiveness are recognised in the statement of profit and loss. Amounts recognised in Total equity are transferred to the Income Statement in the same periods in which the hedged position is recognised in the Net Result.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

28. CONTINGENCIES

Legal procedures

Achmea B.V. and the companies that are part of Achmea Group are involved in lawsuits and arbitration proceedings. These proceedings relate to claims instituted by and against these companies arising from ordinary business operations, including the activities carried out in their capacity as insurer, credit provider, service provider, employer, investor and tax payer. Although it is not possible to predict or determine the outcomes of pending or imminent legal proceedings, the Executive Board believes that it is unlikely that the outcomes of the actions will have a material, negative impact on the financial position of Achmea B.V.

Contingent liabilities

Achmea B.V. has issued guarantees on behalf of subsidiaries that relate to the activities of these subsidiaries, carried out in their capacity as insurer, credit provider, service provider, employer, investor and tax payer. Achmea B.V. also issued guarantees for third parties under sales transactions.

CONTINGENT LIABILITIES

(€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Guarantees	107	49
Total	**107**	**49**

The Netherlands-based insurance companies of Achmea provided the ‘Nederlandse Herverzekeringsmaatschappij voor Terrorismeschaden N.V.’ with guarantees to a maximum of € 36 million (2022: € 38 million). Nederlandse Herverzekeringsmaatschappij voor Terrorismeschaden N.V. is a company in which the participating insurance companies pool the claims and risks related to terrorism.

Achmea B.V. has provided Vereniging Achmea and Rabobank with an indemnity for amounts imposed by the Australian supervisor related to the activities of the Australian branch of Achmea Schadeverzekeringen N.V. in case the Australian supervisor will impose on Vereniging Achmea and Rabobank as shareholder of the ultimate parent of Achmea Schadeverzekeringen N.V. additional obligations and responsibilities relating to these Australian activities. No material losses are expected in respect of this indemnity. Due to its nature, this indemnity cannot to be quantified.

UNRECOGNIZED CONTRACTUAL COMMITMENTS

(€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Commitments related to investments	2,042	1,881
Total	**2,042**	**1,881**

At year-end 2023 Achmea has contractual liabilities in connection with credit facilities for customers, that are part of the building account agreements. If the clients meet the conditions, Achmea is obliged to provide credits in the amount of € 208 million (2022: € 231 million).

Achmea provides mortgage loans for its own account and for the account and risk of its clients (pension funds). In this capacity Achmea has commitments arising from offers for mortgage loans. If the clients accept the offers Achmea is obliged to provide mortgage loans in the amount of € 1.2 billion (2022: € 1.1 billion). This commitment is offset by a received guarantee of € 220 million (2022: € 146 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Contingent liabilities in respect of shares subject to a put option agreement

Under the terms of the Assignment of Put Option Agreements concluded on 30 May 2005, as recently changed on 21 December 2023, upon exercise of their put option, a number of minority shareholders of Achmea B.V. (then known as Eureko B.V.) have the right to sell all or part of their shares to a third party. In this way, Achmea B.V.'s contractual obligation to repurchase the shares, in case of exercise of a put option by a minority shareholder, has been taken over by the relevant third party.

When a put option is subsequently exercised and the offered shares are transferred to this third party, a group company designated by Achmea B.V. ('Achmea entity') has the obligation to enter into a derivative transaction with that third party. Upon entering into this transaction, the Achmea entity pays to that third party as buyer of the shares an upfront amount that is equal to the purchase price owed by this buyer to the selling shareholder under the put option in question and that is determined in the manner stipulated in the contract. The value of the outstanding put options will be determined between buyer and seller upon exercise or transfer and cannot be accurately determined as at the balance sheet date. Based on the number of outstanding put options, the value of the upfront amount is expected to be in the range of € 60 million and € 75 million.

Through the derivative transaction, part of the risk of change in value of the shares is taken over by the Achmea entity from the third party.

NUMBER OF OUTSTANDING OPTIONS

	31 DECEMBER 2023	31 DECEMBER 2022
Schweizerische Mobiliar Versicherungsgesellschaft A.G.[1]	2,769,246	2,769,246
Gothaer Allgemeine Versicherung AG	1,849,108	1,849,108
Gothaer Finanz Holding AG	2,206,482	2,206,482
Total	**6,824,836**	**6,824,836**

1 Schweizerische Mobiliar Versicherungsgesellschaft AG acquired all Achmea B.V. shares held by Schweizerische Mobiliar Holding AG as at 21 December 2022 and, in relation with this, Schweizerische Mobiliar Versicherungsgesellschaft AG acquired the legal position of Schweizerische Mobiliar Holding AG under the put option agreement effective from the same date.

Contingent assets

Conflict between the Slovak Government and Achmea B.V.

In conflict with an agreement to encourage investments between the Slovak Republic and the Netherlands, the Slovak government enforced a ban on the distribution of profit on Slovak health insurers, including Union Zdravotná Poist'ovna A.S., a Slovak subsidiary of Achmea, in the period from 2007 until August 2011.

Achmea sought compensation for the incurred loss and statutory interest paid through an international arbitration tribunal. In December 2012 the arbitration tribunal decided in favour of Achmea. Under this decision the Slovak Government is required to compensate Achmea for damages incurred and the statutory interest paid. The compensation amounted to approximately € 25 million.

The Slovak Government has publicly stated that it will not pay the amounts awarded to Achmea and has submitted the arbitration verdict for annulment to a German Court. In the first court hearing, the annulment request of the Slovak Republic has been rejected. The Slovak Government has appealed against this judgment to the Bundes Gerichtshof in Karlsruhe.

The Bundes Gerichtshof raised some legal issues with the European Court of Justice. In March 2018 the Court of Justice ruled that the arbitration clause in the bilateral investment treaty on which the arbitration proceedings were based, was invalid. Partly based on this ruling of the European Court, the Bundesgerichtshof delivered its judgment. The Bundesgerichtshof followed the ruling of the European Court of Justice and overturned the arbitration verdict. Achmea has appealed against the judgment in Germany and has submitted a claim for damages in Slovakia. These procedures are ongoing.

Because of the compounding statutory interest, Achmea's claim now amounts to approximately € 33 million (2022: € 32 million). In view of the proceedings in Germany, Achmea does not consider the receivable amounts to be sufficiently certain to recognise it as an asset.

29. CREDIT QUALITY RATING ASSETS

The table below provides an overview of the credit quality of the financial assets based on external rating information. It also shows for which part of the financial assets no external rating is available.

EXTERNAL CREDIT RATING ASSETS

(€ MILLION)

	AAA SOVEREIGN	AAA	AA	A	BBB	BELOW BBB	NO RATING	TOTAL
Financial investments								
Fixed income investments[1]	3,737	3,018	5,406	7,480	6,399	613	23,847	50,500
Derivatives		10	3,724	653	20		644	5,051
Other financial investments		63	26	5,668	2		11	5,770
Reinsurance contract assets			410	380	6		297	1,093
Insurance contract assets							5	5
Receivables			37	99	1		1,583	1,720
Cash & Cash equivalents		599	322	975		22	16	1,934

[1] Unrated fixed income investments € 4,098 million relate to mortgages issued with NHG.

EXTERNAL CREDIT RATING ASSETS

(€ MILLION)

	AAA SOVEREIGN	AAA	AA	A	BBB	BELOW BBB	NO RATING	TOTAL
Financial investments								
Fixed income investments[1]	5,502	4,492	4,288	6,396	6,258	747	20,381	48,064
Derivatives		271	4,348	632	21		718	5,990
Other financial investments		47		6,184	3		2,486	8,720
Reinsurance contract assets		63	383	22	35	3	274	780
Insurance contract assets							11	11
Receivables							1,914	1,914
Cash & Cash equivalents		774	259	850		20	43	1,946

[1] Unrated fixed income investments € 4,885 million relate to mortgages issued with NHG.

The tables above include the rating of the financial instruments. Several external rating agencies are used to determine the rating of these financial instruments. If there are multiple ratings available for the same financial instrument, the second best rating is used. If an instrument does not have an external rating, the rating of the issuing party is considered to be an appropriate rating of the financial instruments. However, if the instrument is guaranteed by a third party or the issuing party itself does not have a rating, the rating of the party guarantying the financial instrument is used. In all other cases, the instruments included in the table above/below are assessed as not rated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Credit risk analysis of credit rating financial instruments

The table underneath presents the value fixed income investments valued at amortized cost segregated into credit ratings and the expected loss provision (ECL).

CREDIT QUALITY ANALYSIS

(€ MILLION)

				31 DECEMBER 2023
	STAGE 1	STAGE 2	STAGE 3	TOTAL
Investments at amortized cost				
AAA Sovereign				
AAA	40			40
AA	237	5		242
A	204			204
BBB	4			4
Under BBB	3	1		4
Not rated	13,713	501	68	14,282
Expected loss provision	-2	-19	-7	-28
Carrying amount	**14,199**	**488**	**61**	**14,748**

CREDIT QUALITY ANALYSIS

(€ MILLION)

				REVISED 31 DECEMBER 2022
	STAGE 1	STAGE 2	STAGE 3	TOTAL
Investments at amortized cost				
AAA Sovereign				
AAA	56			56
AA	86			86
A	140			140
BBB	7			7
Under BBB	4			4
Not rated	10,993	1,002	71	12,066
Expected loss provision	-4	-10	-8	-22
Carrying amount	**11,282**	**992**	**63**	**12,337**

Included in the Investments at amortised cost is a provision relating to credit losses (ECL). Additions to and withdrawals from provisions during 2023 were equal to € 6 million (2022: € 8 million). Achmea does not have significant financial assets that are impaired at the recognition date. Furthermore, Achmea has no significant financial assets that are in scope of the simplified approach to determine the expected credit loss provision.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Credit risk analysis of ECL

The following tables provide insight into the movement of ECL by means of a reconciliation between the opening and closing balance of the loss provision for each category of fixed-income financial instruments. For a further explanation, please refer to the policies included in Note 5 Investments.

EXPECTED CREDIT LOSS PROVISION OF FINANCIAL ASSETS MEASURED AT AMORTIZED COST (€ MILLION)

				31 DECEMBER 2023
	STAGE 1	STAGE 2	STAGE 3	TOTAL
Investments at amortized cost				
Balance at 1 January	4	10	8	22
Transfer to simplified method				
Transfer to stage 1		-1		-1
Transfer to stage 2		1	-2	-1
Transfer to stage 3			1	1
Remeasurement of loss allowance				
Investments and loans granted				
Divestments and disposals				
Other movements		7	1	8
Management overlay	-2	2	-1	-1
Balance at 31 December	**2**	**19**	**7**	**28**

EXPECTED CREDIT LOSS PROVISION OF FINANCIAL ASSETS MEASURED AT AMORTIZED COST (€ MILLION)

				REVISED 31 DECEMBER 2022
	STAGE 1	STAGE 2	STAGE 3	TOTAL
Investments at amortized cost				
Balance at 1 January	3	6	5	14
Transfer to simplified method				
Transfer to stage 1				
Transfer to stage 2		2		2
Transfer to stage 3				
Remeasurement of loss allowance			3	3
Investments and loans granted				
Divestments and disposals				
Other movements			-1	-1
Management overlay	1	2	1	4
Balance at 31 December	**4**	**10**	**8**	**22**

Credit risk – credit risk of fixed income investments designated against FVPL

The following table summarises the credit risk of fixed income securities designated to be valued at FVPL.

CREDIT RISK OF FIXED INCOME INVESTMENTS AT FAIR VALUE TROUGH P&L (€ MILLION)

	31 DECEMBER 2023	CUMULATIVE
Investments valued at FVTPL: Movements in fair value as result of credit risk	1	-3
	31 DECEMBER 2022	CUMULATIVE
Investments valued at FVTPL: Movements in fair value as result of credit risk	-2	-4

KEY ASSUMPTIONS AND ESTIMATES WHEN ASSESSING THE CREDIT QUALITY OF FINANCIAL ASSETS

For the key assumptions for determining expected credit losses (ECL), please refer to Note 5 Investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

30. TRANSFER OF FINANCIAL ASSETS AND COLLATERAL

Achmea transfers financial assets when it transfers the contractual rights to receive cash flows from the financial asset. In addition, Achmea transfers financial assets when it retains the aforementioned contractual rights, but enters into a contractual obligation to pay the received cash flows to one or more third parties. Achmea distinguishes the following transactions in the context of the transfer of rights (assets and securities):

- Transferred financial assets not (fully) derecognised in the event of securities lending. With these transactions Achmea transfers the legal ownership (but not the beneficial ownership) of assets and receives collateral in the form of cash or cash equivalents or other investments. The transferred assets are still recognised in the Statement of Financial Position;
- Transferred financial assets which are fully derecognised and over which Achmea no longer has control (regular sale);
- Providing mortgage receivables as collateral when raising loans for the banking business; and
- Receiving or providing collateral in the event of derivatives transactions. Received collateral in the form of cash or cash equivalents is recognised in the Statement of Financial Position with simultaneous recognition of a repayment obligation in the Statement of Financial Position.

Received collateral in the form of cash or cash equivalents is normally invested in designated high quality, liquid investments. Provided collateral in the form of cash or cash equivalents is no longer recognised in the Statement of Financial Position. For the right to receive the collateral back a receivable is recognised in the Statement of Financial Position. Received collateral in the form of investments is not recognised in the Statement of Financial Position, provided collateral in the form of investments are still recognised in the Statement of Financial Position.

The following notes provide further information on the transferred financial assets not or not (fully) derecognised and on collateral received or provided as security.

SECURITIES LENDING ACTIVITIES

(€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Carrying amount of transferred financial assets in the balance sheet	1,716	3,234
Fair value of non-cash collateral received not in the balance sheet	1,822	3,386
Net exposure	**-105**	**-152**

Achmea lends bonds and receives a fee for this (also called securities lending). The process of securities lending is facilitated by a lending agent, who receives a fee for its intermediary services between Achmea and the borrower. Securities lending involves transfer of the legal ownership to the borrower, whereas the beneficial ownership remains with Achmea. The securities lent are therefore still recognised in the Statement of Financial Position.

As security for performance of the obligation to return the borrowed securities, the borrower provides collateral in the form of other high quality liquid securities. The value of the borrowed securities and the related collateral is determined daily by means of so-called ‘margin calls’. The collateral may consist of bonds or shares. Legal ownership of this collateral is transferred to Achmea, but beneficial ownership remains with the borrower. Therefore the collateral is not recognised in the Statement of Financial Position. The value of the collateral is at least 2-7% higher (so-called haircut) than the value of the securities lent. For collateral in the form of shares Achmea requires a higher haircut, given the higher volatility of shares. If a borrower fails to return the securities lent, the lending agent will liquidate the collateral and subsequently purchase the same securities as lent by Achmea and return these to Achmea. Any losses are not for the account of Achmea. If the lending agent is unable to return the same securities, Achmea will receive the market value of the securities lent in cash. The received collateral is not freely disposable and may not serve as collateral in other transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Loans part of banking credit portfolio collateralised by mortgages

To finance the loans raised for its banking activities, Achmea has issued several funding instruments, secured by collateralised mortgage receivables part of the investments of the banking business. Due to these collaterals part of the mortgage receivables is not freely disposable.

LOANS PART OF BANKING CREDIT PORTFOLIO COLLATERALISED BY MORTGAGES (€ MILLION)

	CARRYING AMOUNT	CARRYING AMOUNT	FAIR VALUE	FAIR VALUE
	31 DECEMBER 2023	31 DECEMBER 2022	31 DECEMBER 2023	31 DECEMBER 2022
Mortgages banking credit portfolio	14,151	11,896	13,666	11,482
Secured loans and borrowings	3,348	2,202	3,339	2,185
Net position	**10,803**	**9,694**	**10,327**	**9,297**

MORTGAGES HELD AS COLLATERAL (€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Collateral provided for trust arrangements	85	127
Collateral provided for covered bonds	5,510	4,196
Collateral provided for securitisation	1,365	1,525
	6,960	**5,848**

Collaterals provided for trust arrangements

Achmea Bank N.V. periodically pledges mortgage receivables to a Trustee as security for designated liabilities. In the event of default by Achmea Bank N.V., investors can recover the debt from the mortgage receivables given as collateral.

Collaterals provided for covered bonds

Achmea Bank N.V. has a covered bonds programme. The payment of the principal of interest on the bonds issued is guaranteed by a bankruptcy remote 'Special Purpose Vehicle' (SPV). The guarantee provided by this entity is supported by mortgage receivables, given as collateral by Achmea Bank N.V. to this entity. The outstanding amount of these transferred mortgage receivables will at all times be at least 5% higher than the bonds issued under the programme. In the event of default by Achmea Bank N.V., an investor has recourse on the SPV and the underlying mortgage portfolio.

Collaterals provided for securitisation

Achmea Bank N.V. uses securitisation as a funding source. In all these securitisation transactions, Achmea Bank N.V. assigns a portfolio of mortgage receivables to a SPV which issues notes on the capital markets. with the received interest on the mortgage receivables the SPV can pay the interest on the notes. The maximum loss for Achmea on the transferred assets and liabilities amounted to € 1,317 million as at 31 december 2023 (31 december 2022: € 1,493 million) and has been determined based on the notes of the SPV's which are held by Achmea and the Deferred Purchase Price (excess margin).

Collateral investments in the context of derivative transactions

RECEIVED OR DEPOSITED COLLATERAL INVESTMENTS IN THE CONTEXT OF DERIVATIVE TRANSACTIONS (€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Net position of assets and liabilities derivatives	1,579	1,596
Covered by securities in collateral	60	-373
Liquid funds received in collateral	1,169	977
Net position	**350**	**992**

In the event of collateral these arrangements are recorded in so-called ISDA Credit Support Annex agreements. These also stipulate the conditions – the so-called 'default events' – under which the party may use the cash collateral to reduce possible losses. Transfer of collateral in the form of securities takes place by 'transfer of title', meaning the legal ownership is transferred to the recipient of the collateral. The economic benefits, such as interest income, do not transfer to the receiver of the collateral. In most cases the received collateral consists of liquid investments, mostly liquid assets such as government bonds and cash or cash equivalents.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Bilateral agreements were reached with the various counterparties on collateral to be received or deposited. The net position of the derivatives is taken as the starting point when determining the collateral to be received from or deposited with the relevant counterparty. The difference between the derivatives and the collateral (the net position) is in line with the contractual agreements on the initial margin and obligations to deposit additional collateral.

In most cases there is a central clearing of derivative positions, whereby an initial margin is always paid by Achmea. The initial margin is supplemented by a variation margin to be deposited or received that depends on the combined position of assets and liabilities derivatives with the relevant clearing partner. The total value of the collateral held at year-end 2023 also includes collateral deposited for cleared derivatives positions, the initial margin, of € 527 million (31 december 2022: € 867 million). For all derivatives where there is central clearing, the net position of assets and liabilities related to derivatives per individual counterparty is fully covered by collateral.

Master netting agreements

The table below provides an overview of assets and liabilities subject to offsetting, enforceable Master Netting Agreements and similar agreements.

FINANCIAL ASSETS AND LIABILITIES SUBJECT TO OFFSETTING, ENFORCABLE MASTER NETTING ARRANGEMENTS AND SIMILAR AGREEMENTS

(€ MILLION)

31 DECEMBER 2023	GROSS AMOUNTS OF RECOGNIZED FINANCIAL ASSETS	GROSS AMOUNTS OF RECOGNIZED FINANCIAL LIABILITIES	NET AMOUNTS OF FINANCIAL ASSETS/ LIABILITIES PRESENTED IN THE STATEMENT OF FINANCIAL POSITION[1]	BALANCE OF THE FINANCIAL ASSETS/LIABILI TIES PRESENTED IN THE STATEMENT OF FINANCIAL POSITION	FINANCIAL INSTRUMENTS RECEIVED	CASH COLLATERAL RECEIVED (EXCLUDING SURPLUS COLLATERAL)	NET AMOUNT
Derivatives assets	4,898		4,898				
Derivatives liabilities		3,472	3,472				
				1,426	60	1,169	197
Cash and cash equivalents	8,836	7,572	1,264	1,264			1,264
31 DECEMBER 2022							
Derivatives assets	5,881		5,881				
Derivatives liabilities		4,317	4,317				
				1,564	-373	1,059	878
Cash and cash equivalents	3,454	1,968	1,486	1,486			1,486

1 The net amounts for the derivatives do not equal the provisions for both assets and liabilities. At 31 December 2023, the difference for assets is € 153 million (2022: € 109 million) due to equity derivatives without a netting agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

31. INTERESTS IN SUBSIDIARIES

The following overview shows Achmea's main subsidiaries as at 31 December 2023. Unless otherwise indicated, these are the subsidiaries that are directly or indirectly wholly owned and involved in insurance or reinsurance activities, banking activities, asset management or services related to these activities. The included Dutch subsidiaries fall into the medium or large business class. Of the foreign subsidiaries, the parent companies are included and if there is no parent, then all the companies. Achmea's voting rights in these subsidiaries are in line with share ownership. The country of incorporation or establishment is also mainly where business activities take place. The overview classifies Achmea B.V.'s subsidiaries geographically.

	CORPORATE SEAT	% OF OWNERSHIP HELD BY THE GROUP
NETHERLANDS		
Achmea Bank N.V.	The Hague	100%
Achmea Innovation Fund B.V.	Zeist	100%
Achmea Interne Diensten N.V.	Zeist	100%
Achmea Investment Management B.V.	Zeist	100%
Achmea Mortgage Funds B.V.	Amsterdam	100%
Achmea Pensioen- en Levensverzekeringen N.V.	Apeldoorn	100%
Achmea Pensioenservices N.V.	Zeist	100%
Achmea Reinsurance Company N.V.	Tilburg	100%
Achmea Schadeverzekeringen N.V.	Apeldoorn	100%
Achmea Services N.V.	Zeist	100%
Achmea Zorgverzekeringen N.V.	Leiden	100%
Centraal Beheer PPI N.V.	Amsterdam	100%
InShared Holding B.V.	Hoevelaken	100%
N.V. Hagelunie	Den Haag	100%
Syntrus Achmea Real Estate & Finance B.V.	Amsterdam	100%
Zilveren Kruis Health Services N.V.	Leiden	100%
GREECE		
Interamerican Hellenic Insurance Company S.A.	Athens	99.89%
TURKEY		
Eureko Sigorta A.S.	Istanbul	100%
SLOVAKIA		
Union Poist'ovna A.S.	Bratislava	100%
Union Zdravotná Poist'ovna A.S.	Bratislava	100%

The activities in Australia are set up as a branche office of Achmea Schadeverzekeringen N.V.

The full list of participating interests as referred to in Sections 2:379 and 2:414 of the Netherlands Civil Code has been filed with the Trade Register of the Chamber of Commerce.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Consolidated structured entities

Achmea Bank N.V. uses securitisations as a source of funding. In all these securitisation transactions, Achmea Bank assigns a portfolio of mortgage receivables to a Special Purpose Vehicle (SPV) that issues Notes in the capital markets. With the proceeds of the bonds, the SPV can finance the assigned mortgage receivables and with the interest received on the mortgage receivables, the SPV can pay the interest on the bond. The names of these SPVs are Securitised Residential Mortgage Portfolio I B.V. and Securitised Residential Mortgage Portfolio II B.V.

In accordance with IFRS, Achmea has control over all these SPVs and they are therefore included in the consolidation. For more information on these consolidated structured entities, please refer to Note 5 Investments – Banking Credit Portfolio and Note 31 Transfer of Financial Assets and Collateral.

Important restrictions relating to subsidiaries

A number of Achmea's subsidiaries, mainly insurance companies, are subject to restrictions on the cash they may distribute in the form of cash dividends or otherwise to their parent companies. For more information on these subsidiaries, please refer to Note 18 Equity.

Key changes in the composition of Achmea Group

The shares in De Friesland Verzekeringen B.V. held by Achmea Services N.V. were sold and delivered to Achmea Schadeverzekeringen N.V. with effect from 1 February 2023. On 14 April 2023, Achmea Mortgage Funds B.V., of which Achmea B.V. is the sole shareholder, was incorporated. As of 31 December 2023, the companies Frexit Holding B.V. in liquidation, Frexit Assuradeuren B.V., Frexit Assurantien B.V. have been deregistered from the trade register.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

32. RELATED PARTY TRANSACTIONS

Nature of related-party transactions
Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party (e.g. a subsidiary) in making financial or operating decisions. In the normal course of business, Achmea has various types of relationships (particularly in the areas of insurance, banking and asset management) with related companies and parties with whom regular transactions are entered into.

Achmea also considers its defined benefit pension plan (Stichting Pensioenfonds Achmea) as a related party. Members of the Executive Board, the Supervisory Board and their close family members are also considered related parties to Achmea.

In addition, related party transactions include transactions with related parties, associates, joint ventures, key management personnel and close relatives of related parties. Transactions with those parties are not considered material to Achmea, either individually or for the group as a whole. An overview of Achmea's main subsidiaries is included in Note 34 Interests in subsidiaries.

Achmea can enter into economic transactions with entities controlled by the Executive and Supervisory Boards or their immediate families. There were no such transactions or related parties in 2023 and 2022.

Remuneration of the Executive Board members
The members of the Executive Board are former directors of Achmea B.V. who hold key positions at Group level.

Remuneration of the Executive Board members is in accordance with the responsibility of their respective positions. The various positions are weighted on aspects such as the size and nature of the responsibilities, complexity of the managerial context in which they operate, and the necessary knowledge, experience and competencies.

Besides a fixed salary, the regular remuneration package of an Executive Board member includes variable remuneration elements. Based on the advice of the Remuneration Committee, the Supervisory Board decides on the granting of variable remuneration in the year after the performance concerned. The awarded variable remuneration in any financial year therefore relates to performance in preceding years. If variable remuneration is granted for the previous performance year, payment of half of this amount is deferred for a period of five years. These awards of variable remuneration are included as part of Other long-term remuneration. In addition to remuneration, members of the Executive Board have a pension scheme. This has been the same as that of Achmea's collective labour agreement (CLA) personnel since 1 January 2015. Stichting Pensioenfonds Achmea administers the pension scheme. The entitlements of an Executive Board member accrued up to 31 December 2014 are insured with Achmea Pensioen- en Levensverzekeringen N.V. Indexation on the pensions of the Executive Board members accrued at Achmea Pensioen- en Levensverzekeringen N.V. is determined and financed by Stichting Pensioenfonds Achmea.

OVERVIEW OF REMUNERATION OF THE EXECUTIVE BOARD CHARGED TO THE FINANCIAL YEAR (€ MILLION)

	2023	2022
Short-term staff remuneration	5.80	5.73
Pension charges	1.80	1.98
Other long-term remuneration	0.18	0.42
Employer's share of social security contributions	0.07	0.07
Other expenses	0.00	0.00
Total	**7.85**	**8.20**

The total amount of remuneration for the Executive Board charged to the 2023 financial year is € 7.85 million (2022: € 8.2 million). This total charge relates to the performance year or financial year 2023, excluding variable remuneration for 2023. The variable remuneration pertains to the amounts awarded in a financial year with regard to the previous performance year and/or financial year, because when the financial statements for the previous financial year were adopted it was not yet decided whether variable remuneration would be awarded for that performance year. This was the case for both 2023 and 2022. For performance year 2022, after the adoption of the Financial Statements 2022, the decision on the allocation of variable remuneration was finalised and variable remuneration 2022 awarded to members of the Executive Board. In 2023 an expense of € 0.36 million was recognised for variable remuneration for the performance year 2022. In 2022 an expense of € 0.83 million was recognised for variable remuneration for the performance year 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Below is an overview of the regular remuneration of the members of the Executive Board for performance year 2023. The variable remuneration is presented in respect of the performance year. This can differ from the financial year in which the expense is recognised, because the decision to award variable remuneration is made after adoption of the financial statements. This overview also includes an aggregate comparison with 2022.

OVERVIEW OF REGULAR REMUNERATION OF EXECUTIVE BOARD MEMBERS FOR CURRENT PERFORMANCE YEAR

(€ MILLION)

Active Executive Board members as of 31 December 2023	ANNUAL SALARY (SHORT-TERM PERSONNEL REMUNERATION)[1]	VARIABLE REMUNERATION AWARDED (OTHER SHORT-TERM STAFF REMUNERATION)[1]	VARIABLE REMUNERATION AWARDED (OTHER LONG-TERM REMUNERATION)[1]	PENSION (LIMIT € 128,810)[2]	CONTRIBUTION TO NET PENSION (ABOVE € 128,810)[2]	WAGE SUPPLEMENT (ABOVE € 128,810)[2]	TOTAL
B.E.M. (Bianca) Tetteroo, Chair	1.16	t.b.d.	t.b.d.	0.03	0.22	0.13	**1.54**
M.A.N. (Michel) Lamie, Vice Chair/CFO	0.98	t.b.d.	t.b.d.	0.04	0.22	0.07	**1.31**
M.G. (Michiel) Delfos, CRO	0.85	t.b.d.	t.b.d.	0.04	0.15	0.06	**1.10**
D.C. (Daphne) de Kluis	0.86	t.b.d.	t.b.d.	0.03	0.14	0.05	**1.08**
R. (Robert) Otto	0.90	t.b.d.	t.b.d.	0.04	0.19	0.06	**1.19**
L.T. (Lidwien) Suur	0.85	t.b.d.	t.b.d.	0.03	0.13	0.06	**1.07**
Total 2023	**5.60**	**t.b.d.**	**t.b.d.**	**0.21**	**1.05**	**0.43**	**7.29**
Total 2022	5.31	0.18[3]	0.18[3]	0.24	1.01	0.73	7.65

1 Excluding employers' share in social security contributions.
2 The post-employment benefits have as elements: the expense for the accrual over the maximum pensionable salary of € 128,810. This is the fiscal pension limit in 2023 (2022: € 114,866); the gross contribution to the net pension above the fiscal pension limit based on the age-dependent 3% DC scale and the pension wage benefit above the fiscal cap. See the notes to Pension below. In the column 'Wage supplement (over € 128,810)', compensation is also included in an individual case in connection with the lapsing of benefits from the old management arrangement.
3 € 1.79 million was recognised as a liability at the balance sheet date in respect of deferred variable remuneration awarded (conditionally) in previous years to current and former board members.

Annual salary

The annual salary of the Executive Board members is the fixed all-in salary on an annual basis including holiday allowance. Insofar as applicable the benefit of private use of a lease car is also included in the fixed annual salary.

On 1 January 2023, the salary paid to the Executive Board members was increased by 1% (as of 1 January 2022: 3%).

Variable remuneration awarded

At the time of preparing the Financial Statements 2023, no decision had been taken to award variable remuneration for the performance year 2023. Should this be awarded, then this will be included in the Remuneration Report 2023 that will be published later in 2024. This variable remuneration will then be recognised in the financial statements for 2024. For the performance year 2022, variable remuneration was granted to the Executive Board members after the adoption of the 2022 financial statements, and therefore recognised as an expense in 2023, in the amount of € 0.36 million. This was reported in the Remuneration Report 2022, which was published in June 2023.

Pension

The Executive Board is subject to the collective labour agreement (CLA) pension scheme applicable to other employees. This is a CDC-financed pension scheme aimed at career average salary and a maximum contribution rate of 40% of the pension base (based on the amended collective labour agreement 2021-2023), including the following features at the end of 2023:

- Maximum pensionable salary € 128,810
- Accrual 1.875% per year, if premium is sufficient.
- State pension offset € 16,322
- Retirement age: first day of the month in which the age of 68 is reached
- Survivor's pension
- Non-contributory continuation of the pension scheme in the event of partial or full work-related disability
- Conditional indexation
- Employee contribution standard 3.25% of the pensionable earnings

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Pension above the tax limit
As of 1 January 2015 pension accrual is fiscally capped. In 2023 the fiscal cap is € 128,810.

For employees with an income over this fiscal cap, arrangements have been made as of 1 January 2015 (in the collective labour agreement) for alternative pension accrual. The arrangements also apply to employees who entered the employment of Achmea after this date. These arrangements apply to all Achmea employees and to the Executive Board. Each year, Achmea sets the total budget for compensation for the group of employees with a pensionable salary above the fiscal limit; this budget is a percentage of the pensionable salary above the tax limit. The percentage is equal to the percentage for the employer's portion of the pension contribution destined for pension accrual below the tax limit.

The employer's contribution includes the following two components:
1. An age-related contribution by the employer which the employee can use (net of taxes) to participate in a net pension scheme for pension accrual above the fiscal pension limit (= gross 'contribution to net post-employment benefits' in the overview above). The age-related contribution is calculated based on the maximum graduated tax rates determined by the Ministry of Finance;
2. A so-called gross 'wage benefit pension'. Any remaining amount of the employer's portion of the pension contribution will be used to calculate an equal percentage supplement for everyone with a pensionable income above € 128,810. In 2023 this percentage is 8.5% of the pensionable salary above the fiscal cap. This calculation is performed annually in January by Willis Towers Watson.

Termination benefits
Both in 2023 and 2022, no termination benefits were awarded related to termination of an employment contract.

Claw back
In 2023, there were no adjustments or claw back of remuneration from former years with regard to members of the Executive Board, and nor were there any in 2022.

Loans
Executive Board members have no loans outstanding with Achmea Bank N.V. as at balance sheet date 2023 (31 December 2022: the same, no outstanding loans).

Remuneration of the Supervisory Board members
The following table shows the remuneration of the Supervisory Board members of Achmea B.V. for 2023.

OVERVIEW OF ANNUAL REMUNERATION OF THE SUPERVISORY BOARD MEMBERS[1] (€ MILLION)

Supervisory Board as of 31 December 2023:	
J. (Jan) van den Berg, Chair	0.19
W.H. (Wim) de Weijer, Vice-chair	0.14
T.R. (Tjahny) Bercx	0.09
M.R. (Miriam) van Dongen	0.17
P.H.M. (Petri) Hofsté	0.15
A.M. (Lex) Kloosterman	0.10
R.Th. (Roel) Wijmenga	0.14
E.C. (Nienke) Meijer[2], as of 25 July 2023	0.03
Former Supervisory Board member	
A.C.W. (Lineke) Sneller[3], until 12 April 2023	0.03
Total 2023	**1.04**
Total 2022	1.10

1 Excluding expense allowances, including fees for commissions and supervisory board memberships at group companies.
2 Nienke Meijer was appointed as of 25 July 2023.
3 Lineke Sneller stepped down as of 12 April 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

The composition of the Supervisory Board of Achmea B.V. was changed in 2023. Lineke Sneller stepped down as a member of the Supervisory Board as of 12 April 2023. She was succeeded as of 25 July 2023 by Nienke Meijer for whom the remuneration was determined in accordance with Achmea's remuneration policy for a member of the Supervisory Board. Members of the Supervisory Board have no loans outstanding with Achmea Bank N.V. at the end of 2023 and 2022.

Directors' liability

Achmea has taken out directors' liability insurance for Management Board and Supervisory Board members of Achmea B.V. and its subsidiaries. Under certain conditions, some board members are also indemnified against financial loss based on third-party claims, insofar as this loss exceeds the insured cover.

Rabobank

Achmea uses various regular banking services of Rabobank Group for its operations. All services and transactions with Rabobank are regular transactions and based on regular market rates.

Distribution channel

Local Rabobank branches are an important distribution channel for Achmea's Dutch insurance products. For the distribution of insurance products, Achmea paid € 412 million in commission to local Rabobanks over 2023 (2022: € 258 million).

Insurance services provided to Rabobank

Rabobank has insured several risks with Achmea, including a collective Health Insurance contract with Zilveren Kruis. The premiums relating to this insurance cover for 2023 total € 71 million (2022: € 68 million).

Provisions and liabilities as at 31 December 2023 with Rabobank Group

The balance sheet position for Rabobank Group includes commodity fund-related shares, savings accounts for the account and risk of policyholders, bank accounts (all Note 6) and a credit facility accounted for under Loans and funds drawn down (Note 8).

Vereniging Achmea

Vereniging Achmea is the association of Achmea customers and aims to protect the continuity of Achmea. Vereniging Achmea uses Achmea staff and office space. These are charged at cost price. At the end of 2023, Achmea has a receivable from Vereniging Achmea of € 0.2 million (2022: € 0.2 million) for this purpose. Vereniging Achmea provided two term deposits to Achmea B.V., a € 50.9 million deposit with an interest rate of 3.5% with an effective date of 28 November 2022 (31 December 2022: € 50.9 million) and a € 3.1 million deposit with an interest rate of 3.859% with an effective date of 22 December 2022 (31 December 2022: € 5 million). Other transactions with Vereniging Achmea relate to its relationship with Achmea as a shareholder and are disclosed in Note 18 Shareholders' equity.

Stichting Pensioenfonds Achmea

Stichting Pensioenfonds Achmea (SPA) administers the pension scheme on behalf of employees who are subject to the Achmea Collective Labour Agreement and for employees with whom participation in the SPA pension scheme has been agreed in the labour agreement. The pension scheme is what is known as a Collective Defined Contribution (CDC) scheme for the majority of the Dutch employees. In 2023, Achmea paid € 198 million (2022: € 229 million) in premiums for this CDC scheme. For more information on the pension schemes operated by Stichting Pensioenfonds Achmea, please refer to Note 19 Other provisions - Pension provision. Achmea provides administration and asset management services for Stichting Pensioenfonds Achmea. In 2023 it received € 11.5 million (2022: € 9.9 million) in fees for these services.

Stichting Achmea Algemeen Pensioenfonds

Achmea B.V. provided deposits to Stichting Achmea Algemeen Pensioenfonds.

This concerns 2 term deposits with a expiry date of 12 July 2026 and 22 December 2026, and an interest rate of 2.06%. At year-end 2023, the total amount of deposits is € 1.5 million (31 December 2022: € 1.5 million).

Achmea provides administrative and asset management services for Stichting Achmea Algemeen Pensioenfonds. In 2023 it received € 2.3 million (2021: € 7.6 million) in fees for these services.

Stichting Achmea Foundation

Achmea has committed to transfer 0.5% of its net result annually to the Achmea Foundation for an indefinite period. In 2023, after determining the 2022 result, the contribution of the previous financial year € 0.5 million (2022: € 2.3 million) was determined and remitted. Achmea Foundation uses these funds to finance its projects worldwide for the sustainable improvement of economic and/or social living conditions of groups of needy people in society. Achmea Foundation uses Achmea staff and office space. These are charged at cost price.

33. SUBSEQUENT EVENTS

Friday 16 February 2024 Achmea reached an agreement with the interest groups Consumentenclaim, Woekerpolis.nl, Woekerpolisproces, Wakkerpolis en de Consumentenbond on a final settlement for customers with an unit-linked insurance policy who are affiliated with one of these parties. The settlement will be final if 90% of affiliated customers agree. Achmea is reserving an amount of € 60 million for the settlement agreement. Moreover, an additional reservation of € 25 million has been made for poignant cases (‘schrijnende gevallen’) that are not affiliated with one of the interest groups. The financial consequences have been incorporated in the annual figures 2023 (see also Note 6 Assets and liabilities related to insurance contracts and share of reinsurers in insurance liabilities). The interest groups are discontinuing the collective legal proceedings and it has been agreed that no new legal proceedings on this matter will be initiated by the interest groups.

34. NOTES ON THE TRANSITION TO IFRS 9/17

INITIAL APPLICATION OF IFRS 9 AND IFRS 17 ACCOUNTING POLICIES, PRIOR PERIOD CORRECTIONS AND CHANGES IN PRESENTATION

From 1 January 2023, IFRS 9 Financial Instruments and IFRS 17 Insurance Contracts standards have been applied. The initial application of these standards will have a significant impact on Achmea B.V.'s consolidated financial statements, because the valuation, presentation and determination of results for both insurance contracts and financial instruments will be substantially different than in previous years. This note summarises the main changes in accounting policies and estimates due to application of these new standards.

The new accounting policies and applied assumptions and estimates are included in Note 5 Investments and Note 6 Assets and liabilities related to insurance contracts and reinsurers' share of insurance liabilities.

IFRS 17 INSURANCE CONTRACTS

IFRS 17 establishes a number of uniform principles in relation to the recognition, valuation, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. The goal of this new standard is to offer a more useful and transparent presentation of the financial position, performance and cash flows in the financial statements of companies issuing insurance contracts, as well as for the purpose of international comparability.

The interpretation of the term 'insurance contract' in IFRS 17 has remained almost the same as the definition under IFRS 4, the classification of contracts and of insurance risks has not undergone any material changes. The main change concerns the valuation of insurance liabilities under IFRS 17.

When measuring insurance contracts under IFRS 17, Achmea no longer uses tariff principles for the measurement of life and pension insurance liabilities, for the measurement of the liabilities for claims at nominal value and or to the methodology of the Provision for discounting of Insurance Liabilities within the Dutch business line life.

IFRS 17 introduces a model in which groups of insurance contracts are measured based on estimates of the present value of future cash flows expected to arise as Achmea fulfils the obligations of the contract. In addition, the model includes a risk adjustment for non-financial risk and a contractual service margin.

IFRS 17 is applied to all insurance activities of Achmea. These include life and pension insurance, property & casualty insurance, health insurance and insurance contracts concerning the reinsurance business. In addition, contrary to current reporting under IFRS 4, insurance-related receivables and payables are included in the measurement of insurance liabilities.

For the valuation of insurance contracts under IFRS 17, existing and already applied actuarial assumptions and presumptions that are based on Solvency II principles and that Achmea applies in determining the solvency ratio are used where possible. This includes assumptions used for cash flows and for determining contract boundaries.

Acquisition cost accounting
In previous years, all acquisition costs were recognised within the Pension and Life business and presented as separate assets of insurance contracts (deferred acquisition costs) and recognised as expenses in the statement of profit and loss and statement of comprehensive income over the term of the related contracts. Within the Property & Casualty and Healthcare business, all acquisition costs were recognised directly in the statement of profit and loss of the relevant financial year.

Under IFRS 17, only cash flows for sales and acquisitions made before the recognition of related insurance contracts are presented for all companies as separate assets. The recoverability of these assets is assessed periodically. These assets are presented in the carrying value of the related portfolio of contracts and are recognized in the profit or loss over the coverage period in line with insurance proceeds of the related contracts.

Transition principles by adoption IFRS 17
Depending on the availability and reproducibility of the necessary (actuarial) data, the full retrospective method will be used to determine the value of the insurance liabilities and therefore the CSM at transition date to determine the comparative figures for financial year 2022 under IFRS 17. This means that the comparative figures are restated as if IFRS 17 had always been applied. For some specific portfolios and reporting years within the Pension and Life business and the Non-Life business (disability portfolio), the required information was not sufficiently available and reproducible due to system and data conversions, therefore the value of the related insurance liabilities in the statement of financial position was determined using the fair value method. This is explained below under section 'Fair value method'.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

The full retrospective method has therefore been applied to the following insurance portfolios:
- All insurance portfolios within the Healthcare business;
- All insurance portfolios within the Reinsurance business (with the exception of a few life insurance portfolios signed before 1 January 2020);
- Insurance contracts in the open book portfolio within the Pension and Life business signed after 1 January 2020;
- All insurance portfolios within the Property & Casualty business except the disability portfolio signed before 1 January 2022.

Upon retrospective application of IFRS 17 as of 1 January 2022:
- Insurance and reinsurance contracts held by group are identified, recognised and measured as if IFRS 17 had always been applied;
- All assets for insurance acquisition cash flows are identified, recognised and measured as if IFRS 17 had always been applied, except for the assessment of the recoverable amount of sales and acquisition costs before 1 January 2023;
- Items in the statement of financial position that would not have existed if IFRS 17 had always been applied are no longer recognised. It concerns prepaid acquisition costs for insurance contracts, intangible assets related to acquired insurance portfolios, insurance receivables and payables and provisions for charges attributable to existing insurance contracts. Under IFRS 17, these items are included in the measurement of insurance contracts.
- Derivatives and reinsurance contracts held used by Achmea to mitigate the risk of interest rate guarantees in the service book portfolio and equity guarantees in variable annuity contracts, for which, the risk mitigation option has been applied from 1 January 2022. These contracts were measured at fair value at transition.

Fair value of liabilities related to insurance contracts in the transition to IFRS 17
The fair value of insurance contracts takes into account the consideration required by the market participants to assume the obligations of the insurance contract. The way in which Achmea calculated the fair value in the transition to IFRS 17 differs from the regular valuation of liabilities related to insurance contracts.

Achmea determined the fair value of insurance contracts as the sum of the present value of the net cash flows expected to be generated by the contracts using a discounted cash flow model. The discounted cash flows in this model generally correspond to the cash flows and contract boundary applied in the regular measurement of insurance liabilities under IFRS 17. In determining fair value, the cash flows in some segments take into account a higher cost level from the perspective of a market participant.

Achmea has included a premium in determining fair value that represents a risk premium demanded by market participants for the uncertainty inherent in cash flows and profit margin. This premium is reflected in a different cost of capital rate of 6% compared to a rate of 4.5% applied in valuation of fulfilment cash flows under IFRS 17. In determining the risk premium of the fair value, Achmea also takes into account a number of risks, for example related to general operational risk, which are not applied when determining the of fulfilment cash flows under IFRS 17. In addition, time diversification is not taken into account when determining the risk premium in fair value.

Under the fair value approach, the CSM (or loss component) at 1 January 2022 was determined as the difference between the fair value of a group of contracts at that date and the fulfilment cash flows at that date for the contracts as mentioned above.

For the following insurance contracts, Achmea applied the fair value method due to limitations in the availability and depth of information:
- Insurance contracts in the service book portfolio within the Pension and Life business;
- Insurance contracts in the open book portfolio within the Pension and Life business signed before 1 January 2020;
- Insurance contracts in the Non-Life disability portfolio signed before 1 January 2022;
- Reinsurance contracts held, only a few life insurance portfolios signed before 1 January 2020.

For all contracts measured under the fair value approach, Achmea used historical information and reasonable and supportable information available at 1 January 2022 to determine:
- the groups of contracts;
- whether an agreement meets the definition of a contract with direct participation features; and
- how to identify discretionary cash flows for contracts without direct participation features.

All groups of contracts measured under the fair value approach include contracts issued at intervals of more than one year. For these groups, the discount rates at initial recognition were determined at 1 January 2022 instead of the date of initial recognition.

For groups of reinsurance contracts covering underlying onerous contracts, Achmea established a loss coverage component at 1 January 2022. Achmea determined this component by multiplying:
- the amount of the loss component relating to the LFRC under the underlying contracts at 1 January 2022; and
- the percentage of claims on the underlying contracts that Achmea expected to recover under the reinsurance contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

IFRS 9 FINANCIAL INSTRUMENTS

Achmea restated the comparative figures for IFRS 9 and also applied the classification overlay approach from IFRS 17 to the comparative figures for financial assets sold over the course of 2022. As a result, IFRS 9, like IFRS 17, will be applied retroactively as of 1 January 2022 in the 2023 financial statements. This increases the comparability between the figures in financial year 2023 with the comparative figures of financial year 2022 for the combined impact of IFRS 9 and IFRS 17.

Classification and measurement of financial assets
IFRS 9 prescribes a modified model for the classification and measurement of financial assets. This model is driven by the cash flow characteristics of an asset and the business model within which an asset is held. IFRS 9 replaces the categories of IAS 39: Investment 'Held to maturity', Loans and receivables and investments 'Available for sale'. Even after the introduction of IFRS 9, Achmea continues to maintain the same measurement at amortised cost and fair value in the balance sheet for the majority of its investment portfolio (as under IAS 39). A relatively limited portion of the investment portfolio that was measured previously at amortised cost is measured at fair value under IFRS 9. No adjustments will be made to the measurement of financial liabilities.

To determine impairment losses, IFRS 9 prescribes a model for expected credit losses. This result in earlier recognition of credit losses under IFRS 9 compared to IAS 39 where only credit losses that have already occurred are recognised. The new impairment model will be applied for financial assets measured at amortised cost. Achmea applies this model primarily to the investments relating to banking activities.

Finally, IFRS 9 introduces a model for hedge accounting that aligns the accounting treatment with risk management activities. Achmea Bank applies hedge accounting for mortgage loans and corresponding funding transactions. The main adjustment to the existing hedge relationships is the removal of the 80-125% effectiveness bandwidth.

Achmea uses the option provided by IFRS 9 to continue to apply macro hedge accounting requirements of IAS 39 when transitioning to IFRS 9 (as a system choice) and apply only the micro hedge accounting requirements of IFRS 9.

Transition to IFRS 9
Achmea restated the comparative figures for IFRS 9 applying the classification overlay approach from IFRS 17 to the comparative figures for financial assets derecognised in 2022. As a result, in the financial statement for the reporting year 2023 both IFRS 9 and IFRS 17 are applied retrospectively. This increases the comparability between the figures in financial year 2023 with the comparative figures of financial year 2022 for the combined impact of IFRS 9 and IFRS 17.

Unless described otherwise below, changes due to IFRS 9 have been applied retrospectively as of 1 January 2022.

The following assessments have been made based on the facts and circumstances present on 1 January 2022:
- The determination of the business model in which a financial asset is held;
- The allocation and termination of previous allocation of financial assets and financial liabilities measured at fair value with changes in fair value recognised in the statement of profit and loss;
- The allocation of certain investments not held for sale as fair value with changes in fair value recognised in the statement of profit and loss;
- If the financial asset had a low credit risk as of 1 January 2023, Achmea's assumption is that the credit risk of the asset has not significantly increased since initial recognition.

A quantitative explanation of the changes and impact of the transition from IAS 39 to IFRS 9 is provided in the transition tables below.

The IFRS 9 classification and accounting policies for classification of financial instruments are explained below.

The application of IFRS 9 resulted in a classification and measurement of financial assets as explained below. The choices in accounting policies and presentation within the insurance business are based on the best possible accounting match with the recognition of insurance liabilities. Within banking, measurement at amortised cost is applied.

Under IFRS 9, upon initial recognition, an Achmea investment is classified as measured at amortised cost or fair value with changes in fair value recognised in the statement of profit and loss.

Under IAS 39, investments of insurance contracts held for the account and risk of policyholders were measured at fair value with changes in fair value recognised in the statement of profit and loss. Investments from own risk portfolio were classified as available for sale with changes in value recognised through other comprehensive income.

Notes on the balance sheet measurement under IFRS 9

The transition to IFRS 9 is described in detail in transition tables below. IFRS 9 prescribes had no impact on the balance sheet measurement of financial liabilities given the unchanged accounting policies of amortised cost for bank funds entrusted, loans and borrowings and other liabilities and of fair value through the statement of profit and loss for investment contracts. IFRS 9 also had no impact on the balance sheet measurement of cash and cash equivalents.

NOTES ON THE TRANSITION TO IFRS 9/17 PRINCIPLES BY ITEM IN THE STATEMENT OF FINANCIAL POSITION ON 1 JANUARY 2022

The following table provides an explanation of the transition from IFRS 4 and IAS 39 policies to IFRS 9/17 policies for each item in the statement of financial position as at the transition date 1 January 2022.

TRANSITION TO IFRS 9/17 ACCOUNTS BY ITEM IN THE STATEMENT OF FINANCIAL POSITION - ASSETS

		IFRS 9		IFRS 17			
ITEM STATEMENT OF FINANCIAL POSITION IFRS 4 / IAS 39	31 DECEMBER 2021	REVAL-UATION	RECLASS-IFICATION	REVAL-UATION	RECLASS-IFICATION	REVISED 31 DECEMBER 2021	ITEM STATEMENT OF FINANCIAL POSITION IFRS 9 / IFRS 17
Assets							**Assets**
Intangible assets	748				-3	745	Intangible assets
Associates and joint ventures	41					41	Associates and joint ventures
Property for own use and equipment	473					473	Property for own use and equipment
Investment property	1,028					1,028	Investment property
Investments							Investments
Investments own risk and for account and risk of policyholders	66,200	110	-21			66,289	Investments insurance activities and other
Banking credit portfolio	11,932	118	45			12,095	Banking credit portfolio
Deferred tax assets	610	-59		368	11	930	Deferred tax assets
(new item under IFRS 17)					9	9	Insurance contract assets
Amounts ceded to reinsurers							Reinsurance contracts held assets
Non-life	657			6	-66	597	Non-life
Health	1				1	2	Health
Life	79			-7	-4	68	Life
Receivables and accruals	6,211				-5,072	1,139	Receivables and accruals
Cash and cash equivalents	1,569		-36			1,533	Cash and cash equivalents
Assets classified as 'Held for sale'	7					7	Assets classified as 'Held for sale'
Total Assets	**89,556**	**169**	**-12**	**367**	**-5,124**	**84,956**	**Total Assets**

The main changes in assets as of 1 January 2022 due to the transition concern the reclassification of Receivables and accruals related to insurance contracts (€ -5 billion) to Liabilities related to insurance liabilities. For example, Receivables from direct insurance and Contribution from the Dutch Health Insurance ('Nederlands Zorgverzekeringfonds'), see consolidated financial statements 2022 of Achmea B.V. note 16 Receivables and accruals.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

TRANSITION TO IFRS 9/17 ACCOUNTS BY ITEM IN THE STATEMENT OF FINANCIAL POSITION - LIABILITIES

		IFRS 9		IFRS 17			
ITEM STATEMENT OF FINANCIAL POSITION IFRS 4 / IAS 39	31 DECEMBER 2021	REVAL-UATION	RECLASS-IFICATION	REVAL-UATION	RECLASS-IFICATION	REVISED 31 DECEMBER 2021	ITEM STATEMENT OF FINANCIAL POSITION IFRS 9 / IFRS 17
Equity							**Equity**
Equity attributable to holders of equity instruments of the company	10,476	169		-1,168		9,477	Equity attributable to holders of equity instruments of the company
Non-controlling interest	9					9	Non-controlling interest
Total equity	**10,485**	**169**		**-1,168**		**9,486**	**Total equity**
Liabilities							**Liabilities**
Liabilities related to insurance contracts							Insurance contract liabilities
Non-Life	8,241			-291	-1,212	6,738	Non-Life
Health	4,383			-15	-2,391	1,977	Health
Life	43,544			1,833	1,044	46,421	Life
Other provisions	1,205				-50	1,155	Other provisions
Financial liabilities	20,083		-12		-2,526	17,545	Financial liabilities
Derivatives	1,427					1,427	Derivatives
Deferred tax liabilities	32				11	43	Deferred tax liabilities
Income tax payable	156			8		164	Income tax payable
Total liabilities	**79,071**		**-12**	**1,535**	**-5,124**	**75,470**	**Total liabilities**
Total equity and liabilities	**89,556**	**169**	**-12**	**367**	**-5,124**	**84,956**	**Total equity and liabilities**

The main changes in liabilities as of 1 January 2022 as a result of the transition are:
- Revaluations in the Liabilities related to insurance contracts (total € 1.5 billion) mainly due to the reversal of prudential provisions, changes in actuarial assumptions and bases, and the recognition of a Contractual Service Margin (CSM) and Risk Adjustment (RA).
- Reclassifications of Receivables and accruals (€ -5 billion, see previous page) and Financial Liabilities (€ 2.4 billion) related to insurance contracts, to insurance contracts liabilities (total € -2.7 billion).

The effects of the revaluations are included (including tax effect) in Equity attributable to holders of equity instruments in the company.

Net result in Equity in 2022 compared to the 2022 financial statements
The net result for 2022 was € 105 million under IFRS 4/IAS 39 and is € 808 million negative under IFRS 9/17. The main change resulting as a result of the transition concerns the recognition of market value developments of investments and insurance contract liabilities in the statement of profit and loss. These effects are recognised in the statement of profit and loss under IFRS 9/17, while under IAS 39/IFRS 4 a large part was recognised directly in Equity attributable to holders of equity instruments in the company.

A. NOTES ON THE TRANSITION TO IFRS 9 ON 1 JANUARY 2023

The following transition tables present a reconciliation between the value of Investments under IAS 39 and under IFRS 9 as at 1 January 2023.

TRANSITION INVESTMENTS FROM IAS 39 TO IFRS 9 AS OF 1 JANUARY 2023

(€ MILLION)

	IAS 39 VALUE	RECLASSIFICATION	EXPECTED CREDIT LOSS	IFRS 9 VALUE ADJUSTMENTS	OTHER VALUE ADJUSTMENTS	IFRS 9 VALUE
Investments Insurance activities and other						
Equities and similar investments	6,046	68				6,114
Fixed income investments	35,781	33		-76		35,738
Derivatives	6,021	-569				5,452
Other financial investments	8,755	-70		-12		8,673
Banking credit portfolio						
Fixed income investments	12,329		-14	1	10	12,326
Derivatives		538				538
Other financial investments		47				47
Total	**68,932**	**47**	**-14**	**-87**	**10**	**68,888**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

Reclassifications:
The main changes in the transition from IAS 39 to IFRS 9 concerns the reclassification of 'Investments – available for sale' to the category 'Investments – with value changes through the statement of profit and loss'. The total amount of this reclassification is € 35 billion, € 3.5 billion of which relates to Equities and similar investments, € 29 billion to Fixed income investments, and € 2.5 billion to Other financial investments. The balance of the total reclassification concerns an amount of € 47 million and relates to a reclassification within Achmea Bank with Receivables and accruals.

Expected credit losses (ECL):
The difference with IAS 39 is mainly due to the fact that, under IFRS 9, a lifetime provision is made and the determination takes into account macroeconomic factors such as house prices and inflation.

IFRS 9 value adjustments:
This refers to the value adjustments that take place following the implementation of IFRS 9 in relation to financial instruments, such as loans and bonds.

Other value adjustments
This amount of € 10 million relates to adjustment due to valuation differences of bonds (Savings accounts) between Achmea Bank and Achmea Pension & Life.

EQUITIES AND SIMILAR INVESTMENTS

(€ MILLION)

	IAS 39 VALUE	RECLASSIFICATION	EXPECTED CREDIT LOSS	IFRS 9 VALUE ADJUSTMENTS	OTHER VALUE ADJUSTMENTS	IFRS 9 VALUE
Investments – at fair value through profit or loss						
From FVTPL (IAS 39)	2,502	54				2,556
From available for sale (IAS 39)		3,558				3,558
Total FVTPL	**2,502**	**3,612**				**6,114**
Investments – Available for sale						
From available for sale (IAS 39)	3,544					3,544
To FVTPL (IFRS 9)		-3,544				-3,544
Total FVOCI	**3,544**	**-3,544**				
Total equities and similar investments	**6,046**	**68**				**6,114**

FIXED INCOME INVESTMENTS

(€ MILLION)

	IAS 39 VALUE	RECLASSIFICATION	EXPECTED CREDIT LOSS	IFRS 9 VALUE ADJUSTMENTS	OTHER VALUE ADJUSTMENTS	IFRS 9 VALUE
Investments – at fair value through profit or loss						
From FVTPL (IAS 39)	6,334	33		-70		6,297
From available for sale (IAS 39)		29,435				29,435
To amortised cost (IFRS 9)		-6				-6
Total FVTPL	**6,334**	**29,462**		**-70**		**35,726**
Investments – Available for sale						
To available for sale (IAS 39)	29,445			-6		29,439
To FVTPL (IFRS 9)		-29,435				-29,435
To amortised cost (IFRS 9)		-4				-4
Total FVOCI	**29,445**	**-29,439**		**-6**		
Investments – Loans and receivables						
From amortised cost (IAS 39)	2					2
From available for sale (IAS 39)		4				4
From FVTPL (IFRS 9)		6				6
Total amortised cost	**2**	**10**				**12**
Total fixed income investments	**35,781**	**33**		**-76**		**35,738**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

DERIVATIVES

(€ MILLION)

	IAS 39 VALUE	RECLASSIFICATION	EXPECTED CREDIT LOSS	IFRS 9 VALUE ADJUSTMENTS	OTHER VALUE ADJUSTMENTS	IFRS 9 VALUE
Investments – at fair value through profit or loss						
To FVTPL (IAS 39)	6,021	-569				5,452
Total FVTPL	**6,021**	**-569**				**5,452**
Total derivatives	**6,021**	**-569**				**5,452**

OTHER FINANCIAL INVESTMENTS

(€ MILLION)

	IAS 39 VALUE	RECLASSIFICATION	EXPECTED CREDIT LOSS	IFRS 9 VALUE ADJUSTMENTS	OTHER VALUE ADJUSTMENTS	IFRS 9 VALUE
Investments – at fair value through profit or loss						
To FVTPL (IAS 39)	5,251	-56				5,195
From available for sale (IAS 39)		2,528				2,528
From amortised cost (IAS 39)		950				950
Total FVTPL	**5,251**	**3,422**				**8,673**
Investments – Available for sale						
From available for sale (IAS 39)	2,542					2,542
To FVTPL (IFRS 9)		-2,542				-2,542
Total FVOCI	**2,542**	**-2,542**				
Investments – Loans and receivables						
To amortised cost (IAS 39)	962			-12		950
To FVTPL (IFRS 9)		-950				-950
Total amortised cost	**962**	**-950**		**-12**		
Total other financial investments	**8,755**	**-70**		**-12**		**8,673**

TOTAL INVESTMENTS INSURANCE ACTIVITIES AND OTHER

(€ MILLION)

	IAS 39 VALUE	RECLASSIFICATION	EXPECTED CREDIT LOSS	IFRS 9 VALUE ADJUSTMENTS	OTHER VALUE ADJUSTMENTS	IFRS 9 VALUE
Investments – at fair value through profit or loss[1]	20,108	35,927		-70		55,965
Investments – Available for sale	35,531	-35,525		-6		
Investments – Loans and receivables	964	-940		-12		12
Total Investments Insurance company and other	**56,603**	**-538**		**-88**		**55,977**

1 Investments with value changes through the statement of profit and loss total € 56 billion, and relates almost entirely to Investments mandatorily measured at fair value with changes in fair value recognised in the statement of profit and loss.

The line 'Investments - Loans and Receivables' (IAS 39) concerns 'Loans, deposits and advances to credit institutions and Other' under IFRS 9.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

BANKING CREDIT PORTFOLIO AS OF 1 JANUARY 2023

FIXED INCOME INVESTMENTS

(€ MILLION)

	IAS 39 VALUE	RECLASSIFICATION	EXPECTED CREDIT LOSS	IFRS 9 VALUE ADJUSTMENTS	OTHER VALUE ADJUSTMENTS	IFRS 9 VALUE
Investments - Fair value through at fair value through profit or loss						
To FVTPL (IAS 39)	113	-113				
Total FVTPL	**113**	**-113**				
Investments - Loans and borrowings						
To amortised cost (IAS 39)	12,216		-14	1	10	12,213
From FVTPL (IAS 39)		113				113
Total amortised cost	**12,216**	**113**	**-14**	**1**	**10**	**12,326**
Total fixed income investments	**12,329**		**-14**	**1**	**10**	**12,326**

DERIVATIVES

(€ MILLION)

	IAS 39 VALUE	RECLASSIFICATION	EXPECTED CREDIT LOSS	IFRS 9 VALUE ADJUSTMENTS	OTHER VALUE ADJUSTMENTS	IFRS 9 VALUE
Investments – at fair value through profit or loss						
From FVTPL (IAS 39)		538				538
Total FVTPL		**538**				**538**
Total derivatives		**538**				**538**

OTHER FINANCIAL INVESTMENTS

(€ MILLION)

	IAS 39 VALUE	RECLASSIFICATION	EXPECTED CREDIT LOSS	IFRS 9 VALUE ADJUSTMENTS	OTHER VALUE ADJUSTMENTS	IFRS 9 VALUE
Investments – Loans and receivables						
From amortised cost (IAS 39)		47				47
Total amortised cost		**47**				**47**
Total other financial investments		**47**				**47**

TOTAL BANKING CREDIT PORTFOLIO

(€ MILLION)

	IAS 39 VALUE	RECLASSIFICATION	EXPECTED CREDIT LOSS	IFRS 9 VALUE ADJUSTMENTS	OTHER VALUE ADJUSTMENTS	IFRS 9 VALUE
Investments – at fair value through profit or loss	113	425				538
Investments – loans and receivables	12,216	160	-14	1	10	12,373
Total Banking credit portfolio	**12,329**	**585**	**-14**	**1**	**10**	**12,911**

RECONCILIATION OF TOTAL BAD DEBT PROVISION UNDER IAS 39 AND THE EXPECTED CREDIT LOSSES (ECL) OF IFRS 9

(€ MILLION)

	NOTE	BAD DEBT PROVISION UNDER IAS 39 AS OF 31 DECEMBER 2022	VALUATION ADJUSTMENT	EXPECTED CREDIT LOSSES UNDER IFRS 9 AS OF 1 JANUARY 2023
Banking credit portfolio				
Fixed income investments classified as Loans and receivables under IAS 39 and under IFRS 9		-8	-14	-22
Total		**-8**	**-14**	**-22**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ACHMEA B.V.

AUTHORISATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Zeist, 13 March 2024

Executive Board	**Board of Commissioners**
B.E.M. (Bianca) Tetteroo, Chairman	J. (Jan) van den Berg, Chairman
M.A.N. (Michel) Lamie, Vice-Chairman and CFO	W.H. (Wim) de Weijer, Vice-Chairman and CFO
M.G. (Michiel) Delfos, CRO	T.R. (Tjahny) Bercx
D.C. (Daphne) de Kluis	M.R. (Miriam) van Dongen
R. (Robert) Otto	P.H.M. (Petri) Hofsté
L.T. (Lidwien) Suur	A.M. (Lex) Kloosterman
	E.C. (Nienke) Meijer
	R.Th. (Roel) Wijmenga

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COMPANY FINANCIAL STATEMENTS ACHMEA B.V.

BALANCE SHEET

(BEFORE APPROPRIATION OF RESULT)

(€ MILLION)

	NOTES	31 DECEMBER 2023	REVISED 31 DECEMBER 2022
Assets			
Intangible assets	2	662	662
Financial fixed assets	3	10,828	10,349
Deferred tax assets	4	192	229
Total fixed assets		**11,682**	**11,240**
Receivables	5	5	19
Cash and cash equivalents	6	4	62
Total current assets		**9**	**81**
Total assets		**11,691**	**11,321**
Shareholders' equity	**7**		
Share capital		411	434
Share premium		10,590	10,923
		11,001	**11,357**
Own shares		-420	-507
Legal reserves		88	80
Revaluation reserves		518	667
Net foreign exchange difference		-525	-513
Cash flow hedges		-7	-7
Other reserves		-3,741	-2,924
Result for the year		814	-808
		7,728	**7,345**
Other Equity instruments		1,250	1,250
Equity attributable to holders of equity instruments of the company		**8,978**	**8,595**
Liabilities			
Other provisions	8	99	98
Long-term liabilities	9	1,792	1,494
Short-term liabilities	10	822	1,134
Derivatives		0	0
Total liabilities		**2,713**	**2,726**
Total equity and liabilities		**11,691**	**11,321**

COMPANY FINANCIAL STATEMENTS ACHMEA B.V.

PROFIT AND LOSS

(€ MILLION)

	NOTES	2023	2022 REVISED
Other operating income	13	23	1
Revenue from receivables included in fixed assets and similar income			
Income from associates and joint ventures		3	-16
Total income		**26**	**-15**
Interest expenses and similar expenses	14	74	27
Other expenses	15	81	110
Total expenses		**155**	**137**
Result before tax		**-129**	**-152**
Income tax	16	-51	-39
Results of subsidiaries and associates		892	-695
Net result		**814**	**-808**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

General

For the cash flow statement of Achmea B.V., the exemption under section 360.106 of the Guidelines of the Dutch Accounting Standards Board (RJ) has been used.

The legally required list of participations pursuant to Sections 2:379 and 2:414 of the Netherlands Civil Code has been filed with the Trade Register of the Chamber of Commerce.

Principles for the valuation of assets and liabilities and determination of results

Achmea uses the option in Section 2:362(8) of the Netherlands Civil Code. This means that the principles for the valuation of assets and liabilities and determination of the Result after tax applied in the company financial statements of Achmea B.V. are the same as those applied in the consolidated financial statements. By using this option, the Equity attributable to equity holders in the consolidated and separate financial statements is the same. Investments in subsidiaries are measured at net asset value, with goodwill (if any) recognised under intangible assets. The company financial statements have been prepared in accordance with Book 2, Title 9 of the Netherlands Civil Code.

For a description of the accounting policies applied, please refer to Note 1 Accounting policies and the Basis of valuation to the specific provisions in the consolidated financial statements.

The Subsidiaries of Achmea have applied IFRS 9 and IFRS 17 for the first time in 2023. The comparative figures for the year 2022 have been restated for this as result of this transition. The most important changes are disclosed in the consolidated financial statements. The application of the new accounting policies have an impact on the valuation of the Subsidiaries and Total equity of Achmea B.V. For the impact of the first time application reference is made to disclosure '3 Financial Fixed Assets' and '7 Equity attributable to holders of equity instruments in the company' in the company financial statements. The application of IFRS 9 did not had any impact on the valuation of financial assets and liabilities held by Achmea B.V. The effect of these changes for future years cannot be determined.

Presentation of pension provision and related assets

In the separate financial statements, the fair value of the insurance contract related to the pension provision and the value of this pension provision are presented as two separate balance sheet items. The fair value of the insurance contract is presented in accordance with the reimbursement rights system for internally insured pension contracts in IAS 19. The changes in both provisions relate to interest expenses and income and actuarial gains and losses. These changes are included in the statement of profit and loss. The movements in Shareholders' Equity are zero on balance and are not shown.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

2. INTANGIBLE ASSETS

(€ MILLION)

	GOODWILL	TOTAL 2023	TOTAL 2022
Cost			
Balance at 1 January	691	691	610
Acquisitions			74
Adjustments intangible assets			7
Balance at 31 December	**691**	**691**	**691**
Amortisation and impairment losses			
Balance at 1 January	-29	-29	
Impairments			**-29**
Balance at 31 December	-29	-29	-29
Carrying amount			
At 1 January	662	662	610
At 31 December	**662**	**662**	**662**

3. FINANCIAL FIXED ASSETS

FINANCIAL FIXED ASSETS

	SUBSIDIARIES	ASSOCIATED COMPANIES AND JOINT VENTURES	BONDS	DERIVATIVES	LOANS	REIMBURSEMENT RIGHTS	EQUITIES, SIMILAR INVESTMENTS AND OTHER INVESTMENTS	TOTAL 2023	TOTAL 2022
Balance at 1 January									**11,765**
Impact accounting changes									-999
Balance at 1 January	**9,370**	**16**	**822**		**67**	**74**		**10,349**	**10,766**
Acquisitions, investments and loans granted	72		4,527					4,599	4,140
Sales, disposals and money withdrawn			-4,552	-6	-28	-5		-4,591	-3,656
Annual results	976	8						984	-391
Fair value changes	-197		5					-192	-118
Dividend received	-353	-5						-358	-389
Currency Translation Differences	27	-3	1	6				31	23
Accrued interest									1
Unrecognised actuarial gains and losses on employee benefits						6		6	-27
Other changes						1		1	
Balance at 31 December	**9,895**	**16**	**803**		**39**	**76**		**10,829**	**10,349**

Bonds and Derivatives are measured at fair value. The fair value of these investments based on prices in an active market (listed) is € 803 million (31 December 2022: € 821 million). The purchase price of Bonds and Derivatives at 31 December 2023 is € 798 million (31 December 2022: € 819 million).

An amount of € 39 million is recognised under Loans and Deposits, valued at amortised cost. The fair value of these investments is € 39 million (31 December 2022: € 67 million). The value of the insurance contract with Achmea Pensioen- en Levensverzekeringen NV refers to the fair value of the investments (reimbursement rights) in respect of the defined benefit liability from old schemes insured with Achmea Pensioen- en Levensverzekeringen NV. (See Note 8 Other Provisions).

NOTES TO THE COMPANY FINANCIAL STATEMENTS

4. DEFERRED TAX ASSETS

(€ MILLION)

	BALANCE AT 1 JANUARY 2023	RECOGNISED IN PROFIT AND LOSS ACCOUNT	RECOGNISED IN EQUITY	BALANCE AT 31 DECEMBER 2023	BALANCE AT 1 JANUARY 2022	RECOGNISED IN PROFIT AND LOSS ACCOUNT	RECOGNISED IN EQUITY	BALANCE AT 31 DECEMBER 2022
Other assets	3	-3			3			3
Employee benefits	4			4	4			4
Other liabilities	-2			-2	6	-8		-2
Tax losses	224	-34		190		224		224
	229	**-37**		**192**	**14**	**215**		**229**

Achmea B.V. and most of its Dutch subsidiaries together form a fiscal unity for corporate tax and VAT. On this basis, the company is liable for all deferred and current liabilities of the subsidiaries involved in the fiscal unity with regard to corporate tax and VAT. No deferred tax assets have been recognised for carry forwards of losses from previous years.

As at 31 December 2023, € 46 million (31 December 2022: € 44 million) of the deferred tax assets has an expected maturity date within one year from the balance sheet date.

5. RECEIVABLES

RECEIVABLES

(€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Subsidiaries	5	19
	5	**19**

Receivables are measured at amortised cost. The fair value of these assets is € 5 million (31 December 2022: € 19 million). Aligned with 2022, the expected maturity date of the Receivables is within a year after the balance sheet date.

6. CASH AND CASH EQUIVALENTS

The Cash and cash equivalents comprise cash and bank balances and call deposits. Cash and cash equivalents subject to restrictions amount to nil. (2022: € 1 million).

NOTES TO THE COMPANY FINANCIAL STATEMENTS

7. EQUITY ATTRIBUTABLE TO HOLDERS OF EQUITY INSTRUMENTS IN THE COMPANY

OVERVIEW OF TOTAL EQUITY

	SHARE CAPITAL	OWN SHARES	LEGAL RESERVES	REVALUATION RESERVE	EXCHANGE DIFFERENCE RESERVE	CASHFLOW HEDGES	OTHER RESERVES	RESULT FOR THE YEAR	OTHER EQUITY INSTRUMENTS	TOTAL EQUITY
Balance at 1 january 2022	**11,357**	**-466**	**55**	**1,159**	**-517**	**-7**	**-2,822**	**467**	**1,250**	**10,476**
Changes in accounting assumptions				-489	1		-511			-999
Balance at 1 january 2022	**11,357**	**-466**	**55**	**670**	**-516**	**-7**	**-3,333**	**467**	**1,250**	**9,477**
Net other comprehensive income			13	-11	3		207			212
Net comprehensive								-808		-808
Total result			**13**	**-11**	**3**		**207**	**-808**		**-596**
Appropriations to reserves			12	8			447	-467		
Dividends and coupon payments							-245			-245
Issue, sale and purchase of equity instruments		-41								-41
Balance at 31 December 2022	**11,357**	**-507**	**80**	**667**	**-513**	**-7**	**-2,924**	**-808**	**1,250**	**8,595**
Balance at 1 january 2023	**11,357**	**-507**	**80**	**-251**	**-528**	**-7**	**-2,222**	**105**	**1,250**	**9,276**
Changes in accounting assumptions				918	15		-702			-681
Balance at 1 January 2023	**11,357**	**-507**	**80**	**667**	**-513**	**-7**	**-2,924**	**-808**	**1,250**	**8,595**
Net other comprehensive income			6	-18	-33		-34			-79
Net result								814		814
Total result			**6**	**-18**	**-33**		**-34**	**814**		**735**
Appropriations to reserves			2	-131	21		-700	808		
Dividends and coupon payments							-85			-85
Issue, sale and purchase of equity instruments	-356	87					2			-267
Balance at 31 December 2023	**11,001**	**-420**	**88**	**518**	**-525**	**-7**	**-3,741**	**814**	**1,250**	**8,978**

Total equity refers to the Equity attributable to holders of equity instruments in the company.

Results for the year compared to the 2022 financial statements

The result for the 2022 financial year in which the subsidiaries were valued on the basis of IFRS 4 / IAS 39 was € 105 million. The result for the fiscal year 2022 of the subsidiaries is € 808 million negative under the application IFRS 9/17 at the subsidiaries. The main change resulting from the transition concerns the treatment of market value developments of investments and insurance liabilities in the statement of profit and loss at the subsidiaries. These effects are recognized in the statement of profit and loss under IFRS 9/17 whereas under IAS 39/IFRS 4 a large portion was recognized directly in Equity. For more information, see the Consolidated Statement of Changes in Total Equity and Note 18 Equity in the Consolidated Financial Statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

8. OTHER PROVISIONS

(€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Pension benefits	97	92
Other provisions	2	7
Balance at 31 December	**99**	**99**

Pension benefits

(€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Balance at 1 January	92	122
Net interest expense on defined benefit liability	4	1
Actuarial gains and losses arising from changes in:		
- Demographic assumptions		1
- Financial assumptions	6	-28
- Experience		1
Benefit payments	-5	-5
Other changes		
Balance at 31 December	**97**	**92**

The provision for benefit obligations relates to defined benefit liability insured by Achmea Pensioen- en Levensverzekeringen NV.

Annual contributions to the pension schemes are paid to finance the liabilities to be paid during the duration of the scheme, calculated in accordance with local legal requirements. In addition, where applicable, additional contributions are paid to ensure that the pension schemes comply with applicable local regulations on investments and funding levels.

OTHER PROVISIONS

(€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Balance at 1 January	7	5
Additions		5
Withdrawal	-5	-3
Balance at 31 December	**2**	**7**

Other provisions mainly relate to legal proceedings. Aligned with 2022, the Other provisions are long-term in nature.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

9. LONG-TERM LIABILITIES

MOVEMENT LONG-TERM LIABILITIES

(€ MILLION)

	UNSECURED LOANS	SUBORDINATED LOANS	OTHER	TOTAL 2023
Balance at 1 January	1,244	250		1,494
Money deposited		298		298
Money withdrawn				
Reclassification to Current liabilities				
Exchange rate differences				
Other mutations				
Balance at 31 December	**1,244**	**548**		**1,792**

MOVEMENT LONG-TERM LIABILITIES

(€ MILLION)

	UNSECURED LOANS	SUBORDINATED LOANS	OTHER	TOTAL 2022
Balance at 1 January	745	748		1,493
Money deposited	498			498
Money withdrawn				
Reclassification to Current liabilities		-498		-498
Exchange rate differences				
Other mutations	1			1
Balance at 31 December	**1,244**	**250**		**1,494**

The maturities of long-term liabilities between one and five years is an amount of € 1,245 million (2022: € 1,244 million) and longer than five years an amount of € 548 million (2022: € 250 million). The fair value of long-term liabilities measured at amortised cost at the end of the financial year was € 1,713 million (31 December 2022: € 1,329 million).

In May 2020 Achmea B.V. completed the issuance of an unsecured loan of € 750 million (Senior Unsecured Notes, transaction costs are included in the carrying amount). This loan has a maturity of 7 years (maturity date is 26 May 2027) and is listed on Euronext Dublin, Ireland. The coupon on this loan is 1.5%.

In November 2022, Achmea B.V. issued an unsecured loan of € 500 million with a coupon of 3.625%. This loan has a maturity of 3 years (maturity date is November 29, 2025). These loans are listed on the Euronext in Dublin, Ireland.

In September 2019, Achmea B.V. issued € 250 million in subordinated loans with a coupon rate of 2.5%. These subordinated loans have a maturity of 20 years (maturity date is 24 September 2039) with a first call option after 10 years. The Notes are listed on the Irish Stock Exchange in Dublin, Ireland.

In December 2023, Achmea B.V. issued € 300 million in subordinated bonds with a coupon of 6.75%. These loans have a term of 20 years (maturity date is December 26, 2043).

Achmea B.V.'s syndicated credit facility has a maximum size of € 1 billion and expires in 2026. At the end of 2023, the credited credit lines were undrawn.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

10. SHORT-TERM LIABILITIES

SHORT-TERM LIABILITIES

(€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Subsidiaries	589	285
Taxes	134	184
Loans	60	578
Other	39	87
	822	**1,134**

The fair value of short-term liabilities measured at amortised cost at the end of the financial year is € 822 million (31 December 2022: € 1,134 million).

Aligned with 2022, the expected maturity date of the Short-term liabilities is within a year after the balance sheet date.

11. RELATED PARTY TRANSACTIONS

For an overview of transactions with related parties, please refer to Note 35 Related party transactions in financial statements.

12. CONTINGENCIES

Legal procedures

Achmea B.V. and the companies that are part of the Achmea Group are involved in legal and arbitration procedures. These procedures relate to claims filed by and against these companies arising from regular business activities, including those conducted in the capacity of insurer, lender, service provider, employer, investor and taxpayer. Although it is not possible to predict or determine the outcome of pending or upcoming legal proceedings, the Executive Board is of the opinion that it is not likely that the outcomes of the proceedings will have a material adverse effect on Achmea B.V.'s financial position.

Contingent Liabilities

Achmea B.V. has issued guarantees on behalf of subsidiaries related to the activities of these subsidiaries in their capacity as insurer, lender, service provider, employer, investor and taxpayer. Achmea B.V. has also issued guarantees for the benefit of third parties pursuant to sales transactions.

Achmea B.V. has provided financial guarantees in favor of a wholly-owned subsidiary in connection with the transfer of two portfolios of loans and mortgages between this subsidiary and another wholly-owned subsidiary (the activities and customers of this subsidiary were transferred to a third party outside Achmea B.V. in 2022). These financial guarantees will indemnify the subsidiary for specific risks, including credit risk and certain legal risks, related to these portfolios, up to a maximum total of € 280 million. These financial guarantees are valued at fair value.

Achmea B.V. has also provided a guarantee, as part of a specific tender for non-life insurance contracts for a local Dutch government, regarding the fulfillment of obligations under this contract in case of breach of contract by the non-life insurance group.

Achmea B.V. has granted Vereniging Achmea and Rabobank indemnification for amounts imposed by the Australian regulator in respect of the Australian business of Achmea Schadeverzekeringen N.V., in the event that the Australian regulator imposes additional obligations and responsibilities on Vereniging Achmea and Rabobank as shareholders of the parent company of Achmea Schadeverzekeringen N.V. in respect of these Australian operations. No material losses are expected related to this indemnification. Due to the nature of the indemnification, it cannot be quantified.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

The table below summarizes all contingent liabilities assumed by Achmea B.V. on behalf of its subsidiaries. No material losses are expected related to these guarantees and indemnities.

CONTINGENT LIABILITIES (€ MILLION)

	31 DECEMBER 2023	31 DECEMBER 2022
Guarantees	49	287
Total	**49**	**287**

Contingent Assets

Conflict between the Slovak government and Achmea B.V.

In contradiction to an investment promotion agreement between Slovakia and the Netherlands, the Slovak government imposed a profit distribution ban on Slovak health insurers, including Union Zdravotná Poist'ovna A.S., Achmea's Slovak subsidiary, in the period 2007 to August 2011. Achmea demanded compensation for damages suffered and payment of statutory interest through an international arbitration tribunal. In December 2012, the tribunal ruled in favor of Achmea. Pursuant to this ruling, the Slovak government must compensate Achmea for damages suffered and for paying statutory interest. This compensation amounted to approximately € 25 million. The Slovak government publicly stated that it would not pay the amounts awarded to Achmea and submitted the arbitration award to a German court for annulment. In the first instance, Slovakia's claim was rejected. Slovakia appealed that ruling to the Bundesgerichtshof in Karlsruhe. The Bundesgerichtshof then referred some legal questions to the European Court of Justice. In March 2018, the European Court of Justice ruled that the arbitration clause in the bilateral investment treaty on which the arbitration procedure was based was invalid. Based in part on this ruling by the European Court of Justice, the Federal Court of Justice issued its judgment. In doing so, the Bundesgerichtshof followed the opinion of the European Court of Justice and overturned the arbitration award. Achmea filed a final appeal against this in 2018 in Germany and a claim for damages in Slovakia. These proceedings are still ongoing. Due to rising statutory interest, Achmea's claim under the arbitration award has now increased to approximately € 33 million. (2022: € 32 million) Given the developments in the proceedings in Germany, Achmea considers the claim insufficiently certain to include it as an asset.

13. OTHER OPERATING INCOME

OTHER OPERATING INCOME (€ MILLION)

	2023	2022
Other income	23	1
	23	**1**

14. INTEREST AND SIMILAR EXPENSES

INTEREST AND SIMILAR EXPENSES (€ MILLION)

	2023	2022
Interest expense on loans and borrowings	74	27
	74	**27**

15. OTHER EXPENSES

OTHER EXPENSES (€ MILLION)

	2023	2022
Overhead cost		29
	81	81
	81	**110**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

16. CORPORATE TAX

RECONCILIATION EFFECTIVE TAX RATE

(€ MILLION)

	2023	2022
Result for tax	-129	-152
Corporate tax rate in the Netherlands	25.8%	25.8%
Corporate income tax to which the Dutch corporate income tax rate has been applied	-33	-39
Tax effect on:		
Non-deductible expenses	1	8
Participation exemption	-1	6
Other	-18	-14
Effective tax amount	**-51**	**-39**

De effective tax rate for 2023 was 39.5% (2022: 25.7%)

SPECIFICATION OF THE CURRENT AND THE DEFERRED INCOME TAX

(€ MILLION)

	2023	2022
Current income tax		
Current year	88	-184
Deferred income tax		
Origination and reversal of timing differences	37	-223
Total income tax expense in Income Statement	**51**	**39**

17. REGISTERED OFFICE

Achmea B.V. has its registered office in Zeist, the Netherlands, maintains its office at Handelsweg 2 in Zeist and is registered in the Trade Register of the Chamber of Commerce under number 33235189.

18. NUMBER OF EMPLOYEES

Apart from the members of the Executive Board, no employees are employed by Achmea B.V. in both 2023 and 2022. For more information on the remuneration of the Executive Board, please refer to Note 35 Related-party transactions in the consolidated financial statements.

19. SUBSEQUENT EVENTS

There are no known subsequent events that require disclosure in the financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

20. PROPOSAL REGARDING APPROPRIATION OF RESULT

For the statutory provisions surrounding the appropriation of earnings, see Other Information.

TOTAL NET RESULT IS PROPOSED TO BE DISTRIBUTED AS FOLLOWS:

(€ MILLION)

	2023
Net result attributable to holders of equity instruments of the company	814
Net result excluding segment Health Netherlands	**814**
To be distributed as follows:	
Dividend on ordinary shares	267
Addition to retained earnings	547
	814
Number of ordinary shares (excluding repurchased own shares)	375,685,702
Dividend per ordinary share (in euro's per share)	0.71

The Executive Board's proposal to allocate the result is aligned with the dividend policy adopted by the General Meeting and is based on the required Solvency II and statutory tests (test based on prudent capital and liquidity policy and the statutory balance sheet and distribution test). Decision-making by the General Meeting to allocate the result, and thus to pay out dividends, is subject to the suspensive condition of (i) a positive outcome of the aforementioned financial tests and (ii) the approval of the Executive Board. Each time prior to - successively - the decision-making by the General Meeting, the approval decision of the Executive Board and the payment of the dividend, it is assessed, based on current insights, whether the conclusions of the financial tests, in particular the distribution test, are still valid. If the outcome is positive, the Executive Board determines and reconfirms that distribution is still aligned with prudent financial policy and that distribution is therefore justified. It is proposed to the General Meeting to pay a dividend of € 267 million for the financial year 2023. This proposal is based on a market-based dividend yield of 7% calculated on Achmea's valuation taking into account the shareholders' expected choice between a (partial or full) dividend in cash or in the form of Achmea ordinary shares. In the determination of the Solvency II Ratio, a cash dividend payment of € 70 million is hereby assumed.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

SIGNING OF THE FINANCIAL STATEMENTS OF ACHMEA B.V.

Zeist, 13 March 2024

Executive Board	Board of Commissioners
B.E.M. (Bianca) Tetteroo, President	J. (Jan) van den Berg, President
M.A.N. (Michel) Lamie, Vice-President and CFO	W.H. (Wim) de Weijer, Vice-President
M.G. (Michiel) Delfos, CRO	T.R. (Tjahny) Bercx
D.C. (Daphne) de Kluis	M.R. (Miriam) van Dongen
R. (Robert) Otto	P.H.M. (Petri) Hofsté
L.T. (Lidwien) Suur	A.M. (Lex) Kloosterman
	E.C. (Nienke) Meijer
	R.Th. (Roel) Wijmenga

OTHER INFORMATION

OTHER INFORMATION

STATUTORY PRINCIPLES RELATED TO APPROPRIATION OF PROFIT

The Articles of Association of Achmea B.V. contain the following provisions regarding the appropriation of profit.

The appropriation of the result is regulated in Article 34 and can be summarized as follows:
- Profit is at the free disposal of the General Meeting.
- Profits may only be distributed to shareholders and other entitled parties to the extent that shareholders' equity exceeds the paid and called-up part of the capital plus reserves required to be maintained by law. The distribution must be approved by the Board of Directors. The Board of Directors shall refuse approval only if it knows or should reasonably foresee that the company will not be able to continue paying its due debts after the distribution.
- If the General Meeting resolves to distribute dividends, a dividend will initially be paid, if possible, to the holders of preference shares equal to 3.7% of the nominal amount plus the share premium paid on issue.
- The Executive Board may, if approved by the Supervisory Board, increase the above percentage, set in February 2014, annually by a maximum of 1.8%.
- If no cash dividend was paid, a dividend in the form of preferred shares may be paid instead.
- If the General Meeting decides to pay a dividend and no dividend on preferred shares has been paid in previous years, cash dividends will first be paid to the holders of preferred shares for the previous years before any dividend can be paid to other shareholders.

SHAREHOLDERS OF ACHMEA B.V. PER 31 DECEMBER 2023

	COUNTRY	NUMBER OF SHARES	% SHARES (ORDINARY)	% SHARES (INCL. PREFERENCE SHARES)
Vereniging Achmea direct and through Stichting Administratie-Kantoor Achmea[1]	The Netherlands	251,481,012	66.94%	66.94%
Coöperatieve Rabobank U,A,	The Netherlands	116,993,237	31.14%	31.14%
Gothaer Allgemeine Versicherung AG	Germany	2,072,055	0.55%	0.55%
Gothaer Finanz Holding AG	Germany	2,370,153	0.63%	0.63%
Schweizerische Mobiliar Versicherungsgesellschaft AG	Switzerland	2,769,246	0.74%	0.74%
Total number of shares[2]		**375,685,703**	**100.00%**	**100.00%**

1 Including 1 A-share
2 Excluding 35,134,471 treasury shares held by Achmea B,V, See Note 18 Equity for more information

Stichting Administratie-Kantoor Achmea is - among other things - the holder of the only A share issued by Achmea B,V, Special rights have been granted to the A share, Important resolutions of the General Meeting of Achmea B,V, can only be made with the consent of the holder of the A share, The members of the Board of Directors of Stichting Administratie-Kantoor Achmea are I,C, van den Broek, E,M,H, Hirsch Ballin, M,J,A, van Putten, A,W, Veenman and J, Versteegh,

OTHER INFORMATION

STATEMENT OF THE EXECUTIVE BOARD OF ACHMEA B.V.

The Executive Board of Achmea B.V. is responsible for the preparation of the Annual Report 2023, including the Consolidated Financial Statements 2023 and the Company Financial Statements 2023 of Achmea B.V. The Consolidated Financial Statements 2023 are prepared in accordance with International Financial Reporting Standards as adopted by the European Union effective as at 31 December 2023. The Company Financial Statements 2023 and the Executive Board Report are prepared in accordance with Book 2, Part 9 of the Dutch Civil Code. The Executive Board reviewed the Achmea B.V. Consolidated and Company Financial Statements on 6 March 2024 and granted permission for submission to the Supervisory Board.

The Executive Board declares, in accordance with principle 1.4.3 of the Corporate Governance Code and based on its own assessment, that to the best of its current knowledge:

- the report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems with regard to strategic, operational, compliance and reporting risks;
- the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
- based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
- the report states those material risks and uncertainties that are relevant to the expectation of the company's continuity for the period of twelve months after the preparation of the report.

The Executive Board of Achmea B.V. declares that, to the best of its knowledge, the Achmea B.V. Consolidated and Company Financial Statements 2023 give a true and fair view of the assets, liabilities, financial position and the result of Achmea B.V. and that the information contained herein has no omissions likely to modify significantly the scope of any statements made.

The Executive Board of Achmea B.V. also declares that the Executive Board Report 2023 gives a true and fair view of the situation as at 31 December 2023, the development and performance during 2023 and describes the principal risks of the businesses of the Group. The Achmea B.V. Consolidated Financial Statements 2023 and Company Financial Statements 2023 will be submitted to the Annual General Meeting for approval on 9 April 2024.

Zeist, 13 March 2024

The Executive Board

B.E.M. (Bianca) Tetteroo, Chair
M.A.N. (Michel) Lamie, Vice-chair and CFO
M.G. (Michiel) Delfos, CRO
D.C. (Daphne) de Kluis
R. (Robert) Otto
L.T. (Lidwien) Suur

The following is an English translation of the independent auditor's report issued 13 March 2024.

Independent auditor's report

To: the shareholders and Supervisory Board of Achmea B.V.

Report on the audit of the financial statements 2023 included in the annual report

Our opinion

We have audited the financial statements 2023 of Achmea B.V. based in Zeist, the Netherlands. The financial statements comprise the consolidated and company financial statements.

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of Achmea B.V. as at 31 December 2023 and of its result and its cash flows for 2023 in accordance with International Financial Reporting Standards as adopted in the European Union (EU-IFRSs) and with Part 9 of Book 2 of the Dutch Civil Code
- the accompanying company financial statements give a true and fair view of the financial position of Achmea B.V. as at 31 December 2023 and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023
- the following statements for 2023: the consolidated income statement, the consolidated statements of comprehensive income, changes in total equity and cash flows
- the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

- the company balance sheet as at 31 December 2023
- the company profit and loss account for 2023
- the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

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

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

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

Information in support of our opinion

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

Our understanding of the business

Achmea B.V. is the holding company for a group of entities that operate mainly in the non-life, health, income-protection and life insurance business, offering savings and mortgage products and asset management and retirement services. These activities are conducted primarily in the Netherlands and selectively abroad. The group is structured in components and we tailored our group audit approach accordingly. We paid specific attention in our audit to a number of areas driven by the operations of the group and our risk assessment.

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

Materiality

Materiality	€ 130 million (2022: € 140 million)
Benchmark applied	1,5% of equity attributable to holders of equity instruments of the company
Explanation	We consider Achmea's total equity and solvency, and the ability to meet liabilities towards policyholders and others, the key indicators for the users of its financial statements. In determining the percentage applied, we have taken into account the solvency ratio of the group. The way in which we determined the materiality is consistent with the previous financial year.

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

We agreed with the Supervisory Board that misstatements in excess of € 5 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Achmea B.V. is at the head of a group of entities (hereafter: group entities). The financial information of this group is included in the consolidated financial statements.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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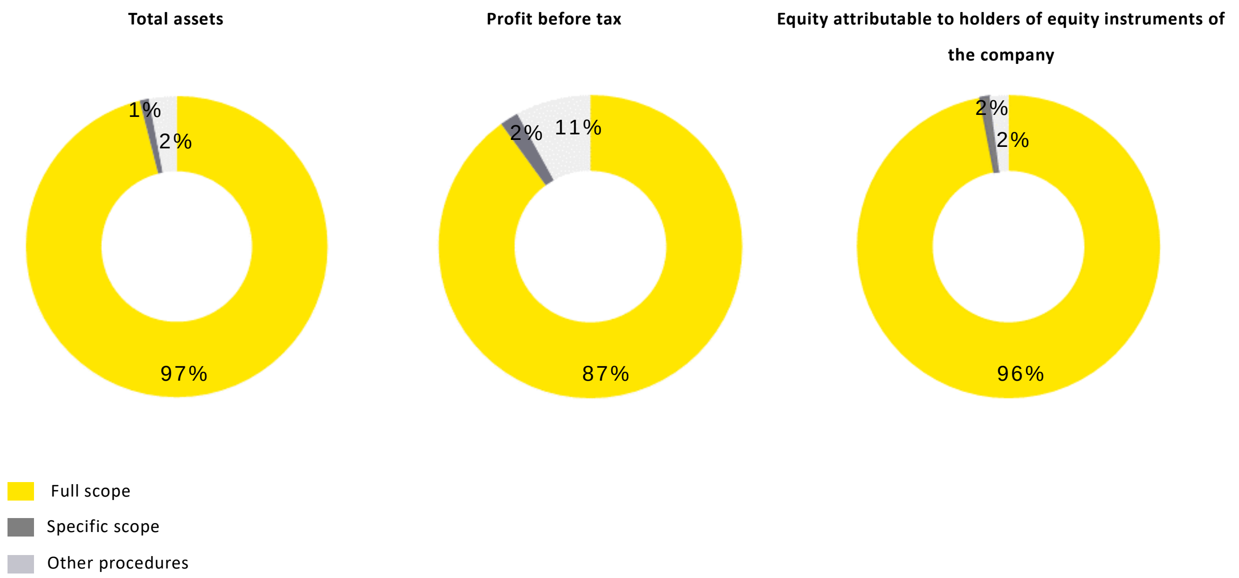
Our group audit mainly focused on significant group entities in the Netherlands, Greece and Turkey based on size and risk. We have:

- performed audit procedures ourselves, as group and component auditors, at group entities in the Netherlands
- used the work of other auditors from EY Global member firms, operating under our coordination and supervision when auditing the group entities in Greece and Turkey
- performed review procedures or specific audit procedures at other group entities.

In total these procedures represent 98% of the group's total assets, 89% of profit/loss and 98% of equity attributable to holders of equity instruments of the company.



By performing the procedures mentioned above at components of the group, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

Teaming, use of specialists and internal audit

We ensured that the audit teams both at group and at component levels included the appropriate skills and competences which are needed for the audit of an internationally operating company active in several sectors of the financial services industry. We included specialists in the areas of IT audit and forensics. Furthermore, we have made use of our own actuaries, income tax specialists and experts in the areas of valuations of liabilities relating to insurance contracts, the valuation of unlisted investments, real estate, derivatives and the tax position.

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

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Our focus on climate risks and the energy transition

Climate change and the energy transition determine to a significant extent the public agenda and lead to significant change for many businesses and society. The Executive Board (hereinafter also referred to as 'management') of Achmea summarized Achmea's plans and commitments, and reported in the section 'In detail: Risk management of climate change (TCFD)' of the annual report how the group is addressing climate-related and environmental risks also taking into account related regulatory and supervisory guidance and recommendations.

As part of our audit of the financial statements, we evaluated the extent to which climate risks and the possible effects of the energy transition and the plans and commitments in this area, are taken into account in accounting estimates and significant assumptions as well as in the design of relevant internal control measures by Achmea including those related to the estimation of liabilities related to insurance contracts and actual liabilities in this area. Furthermore, we read the Executive Board report and considered whether there is any material inconsistency between the non-financial information in section 'In detail: Risk management of climate change (TCFD)' and the financial statements.

Based on the audit procedures performed, we do not deem climate-related risks and the energy transition to have a material impact on the financial reporting judgements, estimates or significant assumptions as at 31 December 2023.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

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

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements in the financial statements due to fraud. During our audit we obtained an understanding of the Company and its environment and the components of the system of internal control, including the risk assessment process and the Executive Board's process for responding to the risks of fraud and monitoring the system of internal control and how the Supervisory Board exercises oversight, as well as the outcomes.

We refer to Note 2 'Capital and Risk Management' of the financial statements in which the Executive Board has included its (fraud) risk analysis and to section Audit & Risk Committee report in which the Supervisory Board reflects on this (fraud) risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the Achmea's code of conduct, Achmea's whistleblower policy and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.
As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic and legal specialists. We specifically considered the different jurisdictions in which the Company's operates in our assessment. We evaluated whether these factors indicate that a risk of material misstatement due fraud is present.

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

We addressed the risks related to management override of controls, as this risk is present in all companies. For these risks we have performed procedures among others to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in 'Key assumptions and estimates' in the financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties. As included in our key audit matter 'Estimates used in calculation of liabilities related to insurance contracts', we have considered, because of the risk of management override of controls, among others, the judgments and assumptions that may represent a risk of material misstatement.

When identifying and assessing fraud risks we presumed that there are risks of fraud in revenue recognition. We have determined that specifically the following revenues give rise to these risks:

- Accounting for insurance revenues as further detailed in the key audit matter 'Estimates used in calculation of liabilities related to insurance contracts'.
- Unrealized results on investments valued as FVTPL from non-quoted investments and real estate investments included in Net financial result from (re)insurance activities as further detailed in the key audit matter 'Fair value measurement of investments and related disclosures'.

We considered available information and made enquiries of relevant members of the Executive Board, management, Internal Audit, legal, the Compliance & Risk management departments, directors of group entities and the Supervisory Board.

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

Our audit response related to risks of non-compliance with laws and regulations
We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience. We have assessed it through, among others, discussions with the Executive Board, inspecting the integrity risk analysis (SIRA), reading minutes, inspection of internal audit and compliance & risk management reports, communication with and reading correspondence from relevant regulatory and supervisory authorities, inspection of remediation plans and performing substantive tests of details of classes of transactions, account balances or disclosures. We refer to note 2 "Capital and Risk Management" to the financial statements.

We also inspected lawyers' letters and remained alert to any indication of (suspected) non-compliance throughout the audit, particularly relating to indications for any shortcomings in relation to compliance with the Dutch Act on the prevention of money laundering and financing of terrorism, the Sanction Law and privacy. In case of potential non-compliance with laws and regulations that may have a material effect on the financial statements, we assessed whether Achmea has an adequate process in place to evaluate the impact of non-compliance for its activities and financial reporting and, where relevant, whether Achmea implemented remediation plans. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

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Our audit response related to going concern

As disclosed in section ‘1. Accounting policies’ in the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the Executive Board made a specific assessment of the Company’s ability to continue as a going concern and to continue its operations for at least the next 12 months.

We discussed and evaluated the specific assessment with the Executive Board exercising professional judgment and maintaining professional scepticism. We considered whether the Executive Board’s going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern, also focusing on whether the Company will continue to meet the regulatory solvency requirements for an insurance group. To this end, we also inspected the Own Risk & Solvency Assessment (ORSA). If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about the Company’s ability to continue as a going concern for the next 12 months. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause a company to cease to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

In comparison with previous year, we have identified the ’Initial application of IFRS 17 and IFRS 9’ as a new key audit matter.

Initial application of IFRS 17 and IFRS 9	
Risk	On 1 January 2023 Achmea adopted IFRS 17 *Insurance Contracts* and IFRS 9 *Financial instruments*, which replaced IFRS 4 *Insurance Contracts* and IAS 39 *Financial instruments* respectively. The Company applied IFRS 17 to insurance contracts issued and reinsurance contracts held retrospectively from 1 January 2022, using the transition approaches as outlined in Note 34 “Notes on the transition to IFRS 9/17” to the consolidated financial statements. The 2022 comparative figures as presented in these consolidated financial statements have been restated for the adoption of IFRS 17. Achmea also restated comparative figures for IFRS 9 and, in addition, applied the classification overlay approach from IFRS 17 to the comparative figures of financial assets derecognised during 2022. As a result IFRS 9, like IFRS 17, is applied retrospectively as of 1 January 2022 in the 2023 financial statements. On transition to the new standards, shareholders equity as of 1 January 2022 decreased with € 1,0 billion, resulting mainly from a decrease of € 1,5 billion relating to the recognition of a Contractual Service Margin (CSM) as part of the insurance contract liabilities. The related impact was partially offset by other valuation effects and deferred tax. Auditing the Company’s initial application was complex as it related to the measurement of the Company’s insurance contract liabilities and determining the transition CSM, which involved making interpretations, setting fair value assumptions and using complex models. Accordingly, we have identified the initial application of IFRS 17 and IFRS 9 as a key audit matter.

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Initial application of IFRS 17 and IFRS 9	
Our audit approach	Our audit procedures included, among others, evaluation of the appropriateness of the Company's accounting policies and transition requirements related to the transition to IFRS 17 and IFRS 9 to determine whether they comply with IFRS 17 and IFRS 9. Furthermore, we have assessed whether assumptions and the methods used for determining the accounting estimates are appropriate. We involved our actuaries to assist us in performing audit procedures in this area. Our key audit procedures included obtaining an understanding and evaluating the design of relevant internal controls over the initial application of IFRS 17 and IFRS 9. Furthermore, we have performed the following specific audit procedures, amongst others: • Evaluate management's assessment of the transition approach and methodological decisions made, including inspection of documentation on the lack of availability of reasonable and supportable historic information required by the full retrospective approach and the appropriateness of simplifications applied under the fair value approach. • Assessing the analysis prepared by the Company with respect to the classification of insurance contracts including the applicable measurement model and assessing the grouping of insurance contracts for compliance with IFRS 17 requirements. • Assessing the appropriateness of key assumptions used in the calculation of the fair value of insurance contracts at transition to IFRS 17 by comparison with those used in IFRS 4 and Solvency II for the corresponding period, publicly available market data, the characteristics of the products and the requirements of IFRS 17. • Testing the methodology and calculation of the insurance contract liabilities, reinsurance contract assets and transition CSM through review of the model validation performed by Achmea. • Testing of the accuracy and completeness of data used in the calculation of the transition balances by reconciliation to the underlying source systems. • Assessing the analysis prepared by the Company with respect to the classification of financial instruments for compliance with IFRS 9 requirements. • Assessing the appropriateness of the valuation of the financial instruments at transition with those used or disclosed in IAS 39 and/or Solvency II for the corresponding period, publicly available market data and the requirements of IFRS 9. Finally, we assessed the adequacy of the disclosures on the initial application of IFRS 17 and IFRS 9 in the Notes to the consolidated financial statements. In this relation we evaluated in particular that disclosures adequately convey the accounting policy choices made by Achmea, the assumptions used at transition and the financial impact at transition date.
Key observations	We consider the estimates used at transition to IFRS 17 and IFRS 9 to be reasonable. The disclosures on transition to IFRS 17 and IFRS 9 meet the requirements of EU-IFRSs.

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Estimates used in calculation of liabilities related to insurance contracts	
Risk	Achmea has liabilities related to insurance contracts of € 44.2 billion representing 64% of the group's total liabilities. Out of this amount, € 25.4 billion has been measured under the general measurement model ('GMM'), € 10.7 billion under the variable fee approach ('VFA', the measurement model for contracts with direct participation features) and € 8.2 billion under the premium allocation approach ('PAA', the simplified measurement model). At initial recognition, the Company measures a group of insurance contracts under GMM and VFA as the total of: (a) fulfilment cash flows, which comprise of estimates of future cash flows, adjusted to reflect the time value of money, required for the settlement of an insurance contract and a risk adjustment for non-financial risks; (b) contractual service margin ('CSM'), as the unearned profit for providing the insurance services in the future. Under the PAA, a liability for incurred claims is recognized that reflects a current, explicit, unbiased and probability-weighted estimate of the present value of the expected future cash outflows (best estimate), required for the settlement of an insurance contract; this is increased with a 'risk adjustment' for non-financial risks. The measurement of liabilities related to insurance contracts involves judgment over uncertain future outcomes, which involves setting various assumptions regarding the total settlement value of insurance liabilities. The determination of the liabilities related to insurance contracts requires the use of complex (actuarial) models and other computational tools for which it is important that their design and configuration is adequate, the assumptions used are appropriate and the input data is complete and accurate. The use of different actuarial techniques and assumptions could produce materially different estimates of liabilities related to insurance contracts. In this relation, we take into account the possibility of management override of controls and that management can influence the financial reporting process in other unauthorized manners. We therefore consider the estimates used in the calculation of liabilities related to insurance contracts a key audit matter. Furthermore, the insurance service results, including insurance revenue, are also produced to a significant extent with the use of the same processes, tools and assumptions. The specific risk considerations per line of business of Achmea are included below. The key assumptions used group wide are the discount rate applied to adjust the expected future cash flows for time value of money (including applicable illiquidity premium) and the 'cost of capital' percentage applied in the risk adjustment calculation. For Life insurance, the valuation of liabilities related to individual life and group pension contracts requires the application of significant judgement in the setting of assumptions in respect of future expenses, including scalability of recurring costs and inflation, as well as the risk drivers and time diversification assumptions applied in risk adjustment calculation. Furthermore, the valuation of the liabilities related to unit-linked insurance contracts involves judgment on the risk of legal claims and proceedings against the Company, taking into consideration the scope and impact of the recent agreement Achmea reached with interest groups in this respect. Lastly, the CSM release for the period as well as the expected insurance service expense are important drivers in determining the insurance revenue for the period.

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Estimates used in calculation of liabilities related to insurance contracts	
	For Non-life insurance, the key judgments relate to the assumptions on the claim trends, most importantly in the domain of personal injury, assumptions for disability and recovery and determining loss component. Furthermore, the expected insurance service expense driving insurance revenue recognized for groups of insurance contracts that are valued under general measurement model for the period represented an attention area, because this is an important driver in determining the insurance revenue. For Health insurance, the measurement of liabilities related to insurance contracts is firstly affected by the assumptions on the claims run-off patterns. Secondly, a significant contribution is received annually from the Dutch Health Insurance Fund. The estimated equalization contributions from the Dutch Health Insurance Fund comprise significant judgments on uncertain future income. Lastly, in order to determine whether a liability for loss-making insurance contracts should be recorded, the estimation of the expected technical result for 2024 is important which includes, among others, judgments in respect of the contribution from the Dutch Health Insurance Fund and the health care cost forecast for 2024. We refer to the Note 6 'Assets and liabilities related to insurance contracts and share of reinsurers in insurance liabilities' and Note 9 'Insurance service result' of the financial statements.
Our audit approach	Our audit procedures included, among others, evaluation of the appropriateness of the Company's accounting policies related to the measurement of insurance contract liabilities according to IFRS 17 *Insurance contracts* and whether assumptions and the methods for making the accounting estimates are appropriate and have been applied consistently. We involved our actuaries to assist us in performing audit procedures in this area. Our key audit procedures included evaluating the Company's methodology for calculating the insurance contract liabilities and obtaining understanding and evaluating the design of internal controls in this respect. Furthermore, we performed the following procedures: • Testing of the accuracy and completeness of data as utilized by the Company to value estimated future cash flows by reconciling such data to the underlying records. • Challenging the assumptions on the discount rate (including illiquidity premium) and the cost of capital percentage used in valuation of insurance contract liabilities based on Company's and market data. • Challenging the nature, timing and completeness of changes in key assumptions, models and methods, including their impact on financial reporting. • Evaluating the scope, extent and outcomes of the model validation performed by the Company in respect of the valuation models and other computational tools. • Performing analytical review procedures, including period to period analysis of changes in present value future cash flows, based on our understanding of developments in the business and our expectations derived from market experience and assessing whether such changes appropriately reflect the developments in the current reporting period. In addition to the audit procedures listed above, our specific audit procedures per line of business of Achmea are included below. For Life insurance, our work specifically included challenging the assumptions adopted, such as expense assumptions including scalability of recurring costs and inflation, based on Company's and industry experience data, expected market developments and trends. Furthermore, we have reviewed the documentation regarding Achmea's position on unit-linked policies. In this relation, we have inspected the agreement that Achmea has recently reached with interest groups, discussed the impact of this agreement on Achmea's estimate of the related risks with management and evaluated the possible consequences for the valuation of the insurance contract liabilities. With respect of the CSM release and the expected insurance service expense for the groups of insurance contracts that are valued under general measurement model, we assessed the assumptions used and performed analytical procedures on the outcomes.

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Estimates used in calculation of liabilities related to insurance contracts	
	For Non-life insurance, we have performed specific audit procedures on the assessment of the reasonableness of the claim trends, specifically for personal injury, the expected future cash outflows, assumptions for disability and recovery and determining loss component by reference to Company and industry data and recognised actuarial practice. With respect to expected insurance service expense, we assessed the assumptions used and performed analytical procedures on the outcomes. For Health insurance, we have performed the following specific audit procedures: • Evaluating the estimation method per health care type, performing back-testing on estimates for the previous financial year, assessing whether the assumptions and outcomes are in line with our expectations based on sector knowledge and external publications and performing test of details. • Reconciling the assumptions and movements in the contribution of the Dutch Health Insurance Fund per budget year with the information received from Healthcare Institute of the Netherlands (ZiNL) and testing the reasonableness of the model including the assumptions used by Achmea in determining the equalization contributions. • Consideration of the reasonableness of the expected technical result 2024 related to evaluating whether a liability for loss-making insurance contracts should be recorded. In this respect, we have reviewed the external publications of ZiNL with respect to the expected contributions for the claim year 2024 from the Dutch Health Insurance Fund. Additionally, we have assessed the estimated health care costs 2024 by reference to the contracts with healthcare providers in 2024, the (estimated) realization of the health care costs 2023 and external publications. We evaluated Achmea's disclosures in relation to insurance contract liabilities in accordance with IFRS 17 *Insurance contracts*. In particular we evaluated that disclosures adequately convey the degree of estimation uncertainty.
Key observations	We consider the estimates used in the calculation of liabilities related to insurance contracts to be reasonable.

Fair value measurement of investments and related disclosures	
Risk	Achmea invests in various asset types. 75% of assets are carried at fair value in the statement of financial position. Of the total assets, 13% is related to investments for which no published prices in active markets are available. Fair value measurement can be subjective, such as for areas reliant on model based valuation. Valuation techniques for mortgages, loans, investment property and non-quoted equities involve setting various assumptions regarding pricing factors. The use of different valuation techniques and assumptions could produce significantly different outcomes of fair value. Associated disclosures are complex and dependent on high quality data. Furthermore, we have considered that there are fraud risks in accounting for the unrealized results from 'category 3' investments where significant unobservable inputs have been used in the valuation. We therefore consider the fair value measurement of investments and related disclosures a key audit matter. We refer to the Note 4 'Investment properties', Note 5 'Investments', Note 8 'Fair value hierarchy' and Note 10 'Net financial result from (re)insurance activities' to the financial statements.
Our audit approach	Our audit procedures included, among others, evaluating the appropriateness of the Company's accounting policies related to the fair value measurement of investments according to IFRS13 *Fair Value Measurement* and whether valuation techniques and inputs for measuring fair value are appropriate and have been applied consistently.

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Fair value measurement of investments and related disclosures	
	We evaluated the design and tested operating effectiveness of the controls over valuation, independent price verification, parallel valuation and model validation and approval. We performed additional substantive procedures, supported by our valuation specialists where necessary. This included, where relevant, comparison of judgments made to current and emerging market practice and re-performance of valuations on a sample basis. We also assessed the impact of other sources of fair value information including gains or losses on disposal and fair value information based on the Company's own purchase transactions. Finally, we evaluated the related disclosures in accordance with IFRS 7 *Financial instruments: disclosures* and IFRS 13 *Fair Value Measurement*. In particular we evaluated that disclosures adequately convey the degree of estimation uncertainty and ranges for significant unobservable inputs.
Key observations	Based on our procedures performed, we consider the fair value of financial instruments to be within a reasonable range. The fair value disclosures of investments meet the requirements of EU-IFRS.

Deferred tax asset recoverability	
Risk	Achmea has recognized a (net) deferred tax asset of € 960 million, out of which an amount of € 193 million relates to tax losses carried forward and € 767 million refers to temporary differences. For the recognition of the deferred tax asset, an assessment of recoverability is required which involves judgment about the extent of the available future taxable profits and the tax planning opportunities available to the company. Determining future taxable profits involves setting various assumptions regarding the expected future income (including investment income), expenses and the capital position. The use of different assumptions could produce materially different outcomes and conclusions on the recoverability of the deferred tax asset. Furthermore, the deferred tax position per year-end 2023 was significantly affected by the application of the IFRS 17 and IFRS 9 positions in the fiscal valuation of non-life business in the Netherlands. We therefore consider the estimates used in the recoverability assessment of the deferred tax assets a key audit matter. We refer to the Note 15 'Deferred tax assets and liabilities' of the financial statements.
Our audit approach	Our audit procedures included, among others, evaluating the appropriateness of the Company's accounting policies related to the measurement of deferred tax assets and liabilities according to IAS 12 *Income taxes*. We have furthermore assessed whether the assumptions and the methods for determining the estimates are appropriate and have been applied consistently. Furthermore, we have evaluated the design of the related internal controls. Achmea concludes in their assessment that the deferred tax asset is recoverable. We have considered the validity of this assessment and in this relation, we have: • considered the reasonableness of the forecast of future profits; • assessed whether the assumptions used are in accordance with the company's multi-year budget approved by the Supervisory Board; • assessed that the assumptions used are consistent with other reporting frameworks (such as Solvency II); • evaluated whether the expectation lies in line with our expectations derived from market experience. As part of our procedures, we also evaluated the reasonableness of the forecasts by comparing the forecasted results for recent years with actual results, evaluating positive and negative variances. We considered the horizon of the forecast in conjunction with maximum compensation terms and have had a specific focus on the reasonableness of the profit forecasts for years which are further into the future due to the inherently higher uncertainty. We also considered the reasonableness of the tax planning opportunities and the extent the

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Deferred tax asset recoverability	
	company has influence on their application. Lastly, we have assessed the appropriateness from tax legislation perspective of the application of the IFRS 17 and IFRS 9 positions in the fiscal valuation of non-life business in the Netherlands. We were assisted by our tax specialists in performing our audit procedures. We evaluated Achmea's disclosures in relation to deferred tax assets in accordance with IAS 12. In this relation we evaluated in particular that disclosures adequately convey the methods and assumptions used for the deferred tax assets recoverability assessment as well as the degree of estimation uncertainty.
Key observations	We consider the estimates used in the recognition of deferred tax assets to be reasonable. The disclosures of deferred tax assets and liabilities meet the requirements of EU-IFRS.

Solvency II disclosure	
Risk	Achmea presents its capital position in accordance with Solvency II, in Note 2 'Capital and Risk Management' of the financial statements. These disclosures provide information on the capital position of Achmea on a Solvency II basis of accounting compared to an EU-IFRSs basis. The determination of the Solvency II ratio involves judgments, among others in respect of methodologies used and setting "best estimate" assumptions. This specifically refers to the calculation of the best estimate of the insurance liabilities, the risk margin and the required capital, including deduction for the loss-absorbing capacity of deferred taxes (LAC DT). Achmea uses a partial internal model approved by the College of Supervisors for determining the required capital. This model includes calculation of the insurance risks for non-life and income protection insurance. Achmea also uses a partial internal model for calculating market risk. For the other risks, Achmea applies the standard formula in determining the solvency capital requirements. We have included the accuracy and reasonableness of Achmea's Solvency II ratio as disclosed in the financial statements a key audit matter.
Our audit approach	We have performed audit procedures on the Solvency II calculations involving our actuaries. This included among others: • considering the appropriateness of the mortality experience, expense (including inflation), disability and lapse assumptions used in the valuation of the "best estimate" insurance liabilities by reference to Company and industry data and expectations of future mortality and expense developments; • evaluating the appropriateness of the methodology for estimating of the risk margin by reference to Company and industry data and recognised actuarial practice; • inspecting the model validation performed (including the inspection of the approval by the external College of Supervisors of the partial internal model used for determining the solvency capital requirement) and evaluation of the impact of any findings by the Risk Management Function and Actuarial Function; • evaluating the calculation of the capital requirements, including aggregation; • evaluating the methodology and assumptions for deferred taxes on the Solvency II balance sheet and the loss absorbing capacity of deferred taxes in the calculation of the Solvency Capital Requirement by reference to the Company and industry data and results of internal and external reviews of the methodologies and assumptions performed during the year; • reading communication with the regulator and considering of any follow-up actions. We evaluated the design and, where relevant, tested operating effectiveness of the internal controls over the Solvency II calculations. This included, where relevant, interpretation of guidelines, evaluation of judgments made and audit of calculations on a sample basis.

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Solvency II disclosure	
	We considered whether Achmea's disclosures in Note 2 'Capital and Risk Management' of the financial statements in relation to capital and risk management are compliant with the relevant accounting requirements including IAS 1 *Presentation of Financial statements*, including the disclosures on the interpretations made by the Company and their impact (such as the interpretation on the contract boundaries on disability insurance).
Key observations	Based on our procedures performed, we consider that the Solvency II ratio as disclosed in the financial statements is accurately and reasonably determined and that the related disclosure of the ratio, including the assumptions used and their impact, is adequate and meets the EU-IFRSs requirements.

Reliability and continuity of the information technology and systems	
Risk	The activities and financial reporting of Achmea are highly dependent on the reliability and continuity of the IT environment. Achmea has a complex IT landscape, with different parties involved. As also disclosed in Note 2 'Capital and Risk Management', effective IT general controls with respect to change management, logical access, infrastructure and operations, are important to support the integrity and continuity of the IT environment as well as the operating effectiveness of the automated controls. Achmea as an internationally operating insurer, is inherently subject to higher risks of cybersecurity attacks. Based on the above, we identified the reliability and continuity of the IT environment to be a key audit matter.
Our audit approach	IT audit professionals are an integral part of the audit team and assessed the reliability and continuity of the IT environment to the extent necessary for the scope of our audit of the financial statements. Our audit was not primarily designed to express an opinion on the continuity and reliability of Achmea's automated data processing (or parts thereof) and we have not been instructed to do so. As part of our audit procedures, we assessed the impact of changes to the IT environment during the year. Furthermore, we performed the following procedures: • Evaluating the design of the IT general control processes and testing the operating effectiveness of general IT controls for the main IT processes. This was done for the IT applications in scope of our financial statements audit as well as for the underlying operating system including database management and tooling supporting the IT processes. • Designing and executing IT substantive procedures when IT controls where lacking or not operating effectively. • Reviewing relevant reports of vendors on the design and the operating effectiveness of internal controls when one or more of the main IT processes have been outsourced, including critical cloud computing outsourcing. • Testing application controls over data processing, data feeds and interfaces where relevant for the financial reporting. • Evaluating key IT related projects and data migrations relevant to the financial statement audit. A specific focus area was the implementation and adjustment of applications related to the implementation of IFRS 9 and IFRS 17. Our audit was not aimed at making a statement about the cybersecurity procedures, controls and reporting of Achmea. However we did obtain an understanding of the cybersecurity procedures, controls and reporting as performed by Achmea.
Key observations	Based on our IT general controls testing procedures and IT substantive procedures performed, we have obtained sufficient assurance about the reliability of the automated data processing of IT systems that are relevant in the context of the financial statements audit.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements;
- Contains all the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Executive Board is responsible for the preparation of the other information, including the management report and other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were appointed by the general meeting as auditor of Achmea B.V. on 16 December 2019, as of the audit for the year 2021 and have operated as statutory auditor since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of the Executive Board and the Supervisory Board for the financial statements

The Executive Board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRSs and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Executive Board is responsible for such internal control as the Executive Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Executive Board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Executive Board should prepare the financial statements using the going concern basis of accounting unless the Executive Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Executive Board should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

OTHER INFORMATION

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the Audit & Risk Committee of the Supervisory Board in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Audit and Risk Committee of the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 13 March 2024

Ernst & Young Accountants LLP

W.J. Smit

OTHER INFORMATION

The following is an English translation on the independent auditor's report issued 13 March 2024

Limited assurance report of the independent auditor on Achmea's sustainability information

To: the general meeting and supervisory board of Achmea B.V.

Our conclusion

We have performed a limited assurance engagement on the sustainability information in the accompanying annual report for 2023 of Achmea B.V. at Zeist. Based on our procedures performed and the assurance information obtained, nothing has come to our attention that causes us to believe that the sustainability information does not present fairly, in all material respects:

- The policy with regard to sustainability matters
- The business operations, events and achievements in that area in 2023

in accordance with the reporting criteria as included in the supplement ''A. Reporting criteria''.

The sustainability information is included in the following chapters in the annual report:

- Executive Board report (excluding sections financial performance group and financial performance segments)
- Supplement B. Detailed sustainability information

Basis for our conclusion

We have performed our limited assurance engagement on the sustainability information in accordance with Dutch law, including Dutch Standard 3810N, "Assurance-opdrachten inzake duurzaamheidsverslaggeving"(Assurance engagements relating to sustainability reporting), which is a specified Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000, "Assurance engagements other than audits or reviews of historical financial information". Our responsibilities in this regard are further described in the section Our responsibilities for the assurance engagement on the sustainability information of our report.

We are independent of Achmea B.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Reporting criteria

The criteria applied for the preparation of the sustainability information are the GRI Sustainability Reporting Standards (GRI Standards) and the criteria supplementally applied as disclosed in the section "A. Reporting Criteria" of the annual report.

The sustainability information is prepared with reference to the GRI Standards. The GRI Standards used are listed in the GRI Content Index as disclosed in Supplement "E. GRI index" of the annual report.

The comparability of sustainability information between entities and over time may be affected by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques.
Consequently, the sustainability information needs to be read and understood together with the criteria applied.

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Limitations to the scope of our review

The sustainability information includes prospective information such as ambitions, strategy, plans, expectations, and estimates and risk assessments. Prospective information relates to events and actions that have not yet occurred and may never occur. We do not provide assurance on the assumptions and achievability of this prospective information.
The references to external sources or websites in the sustainability information are not part of the sustainability information as reviewed by us. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect to these matters.

Responsibilities of the management board and the supervisory board for the sustainability information

The management board is responsible for the preparation and fair presentation of the sustainability information in accordance with the criteria as included in the section “A. Reporting criteria”, including the identification of stakeholders and the definition of material matters.
The management board is also responsible for selecting and applying the criteria and for determining that these criteria are suitable for the legitimate information needs of stakeholders, considering applicable law and regulations related to reporting. The choices made by the management board regarding the scope of the sustainability information and the reporting policy are summarized in supplement “A. Reporting principles” of the annual report.

Furthermore, the management board is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability information that is free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing the sustainability reporting process of Achmea B.V.

Our responsibilities for the review of the sustainability information

Our responsibility is to plan and perform the assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Our assurance engagement is aimed to obtain a limited level of assurance to determine the plausibility of sustainability information. The procedures vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance that is obtained when a reasonable assurance engagement is performed.

We apply the Nadere voorschriften kwaliteitssystemen (NVKS, regulations for quality management systems) and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our review included among others:

- Performing an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, and the characteristics of the company
- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the sustainability information. This includes the evaluation of the results of the stakeholders’ dialogue and the reasonableness of estimates made by the management board
- Obtaining through inquiries a general understanding of the internal control environment, the reporting processes, the information systems and the entity’s risk assessment process relevant to the preparation of the sustainability information, without obtaining assurance information about the implementation or testing the operating effectiveness of controls

OTHER INFORMATION

- Identifying areas of the sustainability information where misleading or unbalanced information or a material misstatement, whether due to fraud or error, is likely to arise. Designing and performing further assurance procedures aimed at determining the plausibility of the sustainability information responsive to this risk analysis. These procedures consisted amongst others of:
  - Making inquiries of management and relevant staff at corporate level responsible for the sustainability strategy, policy and results
  - Interviewing relevant staff responsible for providing the information for, carrying out controls on, and consolidating the data in the sustainability information
  - Obtaining assurance evidence that the sustainability information reconciles with underlying records of the company
  - Reviewing, on a limited test basis, relevant internal and external documentation
  - Performing an analytical review of the data and trends in the information submitted for consolidation at corporate level
- Reconciling the relevant financial information with the financial statements
- Reading the information in the annual report that is not included in the scope of our assurance engagement to identify material inconsistencies, if any, with the sustainability information
- Considering the overall presentation and balanced content of the sustainability information
- Considering whether the sustainability information as a whole, including the sustainability matters and disclosures, is clearly and adequately disclosed in accordance with criteria applied

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the review and significant findings that we identify during our assurance engagement.

Amsterdam, 13 March 2024

Ernst & Young Accountants LLP

R.J. Bleijs

SUPPLEMENTS

The supplements to the Executive Board Report contain information on the preceding sections in this annual report. Supplement A describes the basic principles we apply when compiling the annual report. Supplement B complements our Results section (Our contribution to environmental and social themes) and contains additional employee information, information on our carbon footprint (own business operations, investments and insurance) and other sustainability information on our business operations. Supplement C contains information on the EU Taxonomy for sustainable activities. Supplement D includes the connectivity table, which complements the abridged connectivity table in the Executive Board Report and contains information in line with the GRI guidelines. This annual report was compiled in accordance with the GRI guidelines and principles as given in the PSI. In supplements E and F we explain how we do this. Supplement G describes how we have implemented the TCFD reporting requirements. Supplement H contains a glossary of terms.

SUPPLEMENT A: REPORTING PRINCIPLES

Achmea's annual report comprises several parts. The Executive Board Report describes our strategy, the progress made in 2023, our vision for the future and how we mitigate our risks. The supplements contain detailed sustainability information, including how we comply with the sustainable-reporting standards published by the Global Reporting Initiative (GRI) and the Principles for Sustainable Insurance (PSI) to which Achmea has signed up. In addition to further information on governance, the Governance section contains the Supervisory Board report. The annual report also includes the consolidated and company financial statements for Achmea over 2023 as well as the Other information. Our annual report can be downloaded from our website (www.achmea.nl) from 10 April 2024. A Dutch version of the text is also available. In the event of any discrepancies between the Dutch and English versions of this report, the Dutch version will take precedence.

Reporting principles

The annual report is compiled in accordance with Dutch legal requirements. In addition, our annual report has been compiled with reference to the GRI. As our focus is on preparing for reporting in line with the Corporate Sustainability Reporting Directive (CSRD), we have chosen the GRI option that best matches the former core option from GRI 2021. This means that we apply the GRI 2021 with reference to 3 universal standards (GRI 1, 2 and 3). Supplement E contains an index that depicts how we comply with these 3 standards. The Consolidated Financial Statements of Achmea B.V. are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union effective as at 31 December 2022 and the requirements of Section 362, paragraph 9, Book 2 of the Dutch Civil Code. The company financial statements of Achmea B.V. have been prepared in accordance with Book 2, Title 9 of the Dutch Civil Code, whereby we make use of the option provided in Section 362, paragraph 8, Book 2 of the Dutch Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of net result applied in the Company Financial Statements of Achmea B.V. are the same as those applied in the Consolidated Financial Statements.

About this report

The Executive Board of Achmea B.V. is responsible for preparing the annual report. The (consolidated and company) financial statements are drafted under the supervision of the Group Finance department. Responsibility for the content and data to back up the non-financial and sustainability information contained in the annual report is assigned within the organisation. A working group takes care of the external reporting content. A steering committee approves the basic principles, draft text and final text. This steering committee is chaired by the director of Group Finance and also includes the directors of Reporting, Performance Management, Strategy & Transformation and CSR & Sustainability and the senior managers of Internal & Brand Communication and Corporate Communications & Public Affairs.

Definition and scope of reporting

The financial information and a portion of the employee information contained in this annual report have been consolidated for Achmea B.V. and all its group companies (see Notes to the consolidated financial statements Achmea B.V. - Note 31. Interests in subsidiaries). Achmea operates primarily in the Netherlands (which accounts for approximately 93% of its Revenue from insurance-related services, while approximately 80% of its total workforce (FTEs) are employed there). Due to this strong Dutch focus, most of the non-financial and sustainability information only covers Achmea's Dutch operations. Where information is relevant and insofar as it is available, this is also included on Achmea's international operations. Achmea also reports on part of the value chain with respect to responsible investment and procurement for its own business operations. Where this is the case, the different scope is indicated.

Measuring, estimating and calculating

Sustainability information and indicators are in fully development. This applies, among other things, to the available data, the measurement methodology and the definitions used. These development and new insights may have an impact on the reported sustainability information.

The quantitative non-financial and sustainability information has been collected in our data management system and via non-accounting statements. These are completed or supplied annually by the responsible operating companies. All information is assessed, and plausibility checks are performed. Descriptions of how non-financial information is determined can be found in supplements B and C. Supplement H. Glossary also includes definitions of indicators.

Wherever possible comparative figures have been included for the relevant indicators. However, the impact of Covid-19 means that in some cases comparison of sustainability information for the years 2022 and 2021 (and previous years) is only possible to a limited extent. A lockdown was in place in the first quarter of 2022. This impacted, for example, the carbon footprint of our investments as well as our own business operations and therefore affects comparisons between years. However, it is impossible to quantify the impact of Covid-19 and the sustainability policy separately, and as a result how the figures evolved over 2023 and 2022 cannot always be compared to each other.

Modifications to this report

In compiling the non-financial information contained in the report, a number of changes have been made versus last year.

SUPPLEMENTS A: REPORTING PRINCIPLES

Last year our reporting was in line with the EU Taxonomy's simplified regime. This required the disclosure of information on which part of a company's activities are eligible for alignment with the EU Taxonomy. This simplified regime no longer applies to the 2023 annual reporting and we have therefore also disclosed information on which part of the activities are actually aligned with the EU Taxonomy criteria, thereby contributing to the EU's environmental goals. In addition, we adjusted the method for calculating carbon emissions for our investments in mortgages and government bonds. This adjustment is in line with the recommendations of PCAF (Partnership for Carbon Accounting Financials). We have not adjusted the comparative figures accordingly because consistent data are currently not available. As of the 2023 reporting year, we report for the first time on insurance-related emissions from the retail customer motor vehicle insurance portfolio and have included tables on the CEO pay ratio and gender pay gap. In some cases improvements have been made to the calculations for the sustainability information owing to more accurate data becoming available. Where this is applicable, we have included further information on this.

A summary overview of the changes to the accounting policies for determining our financial results has been included in the Consolidated Financial Statements Achmea B.V. over 2023, Notes to the Consolidated Financial Statements Achmea B.V., 1. General accounting policies.

Implementation of future regulations (CSRD)

The Corporate Sustainability Reporting Directive (CSRD) applies from the 2024 financial year. This EU directive replaces the disclosure of non-financial information decree (based on the NFRD). We started preparing implementation of this in 2023, including by conducting a dual materiality analysis followed by an inventory of the missing data elements and data points required for reporting in future years. We have set up a project organisation to ensure timely, accurate and full implementation. This focuses on working out the identified themes together with the individual segments. Where this is not yet in place, we will start to formulate relevant policy and subsequently compile action plans, objectives and KPIs.

In the current annual report, an initial step has been taken towards implementing the CSRD with the dual materiality analysis as described in the section In dialogue with stakeholders and material topics. Further interpretation of the CSRD requirements, including the assessment of completeness of the value chain and required information on the dual materiality analysis, will take place in 2024. On top of this, in line with classification under the CSRD, we have opted to explain our sustainability results based on environmental, social and governance (ESG) themes. Our vision Sustainable Living. Together means that we aim to conduct our business operations in a sustainable manner. Strategic and sustainability results are often interconnected. We have therefore opted not to examine these results separately but to do so collectively in the Results section. We will further enhance the structure in the coming years.

Auditor's scope and level of assurance

Achmea has asked its external auditor, EY, to audit and assess (parts of) this annual report. The level of certainty applicable to the report is shown below.

EY has audited the 2023 consolidated and company financial statements as included in the Financial statements section of the annual report. EY issued an unqualified audit report with the consolidated and company financial statements on 13 March 2024. This report can be found in the section Other information, Independent auditor's report.

In addition to the audit of the financial statements, EY performed an assessment on the sustainability information contained in the Executive Board Report (with the exception of section Results - Financial results Group and segments) and Supplement B. Detailed sustainability information). EY has provided an Assurance report in which a 'limited assurance' is provided about the reliability and acceptability of the sustainability information contained in the parts of the Executive Board Report referred to above. The activities performed in obtaining a limited level of assurance are aimed at determining the plausibility of information and are not as in-depth as for assurance engagements aimed at obtaining a reasonable level of assurance. The level of assurance obtained in the review engagements is therefore considerably lower than the level of assurance obtained in audit engagements. EY provides no assurance as to the assumptions and feasibility of information relating to the future, such as the targets and objectives, expectations and ambitions included in the report. The content of the websites referred to in this annual report, the other sections of the Executive Board Report and other supplements are not in scope of this Assurance report. The Assurance report can be found under Other information, Independent assurance report.

We value your feedback

Integrated reporting will continue to evolve. We would appreciate hearing your feedback on ways in which we might be able to improve our approach. You will find our contact details on the last page of this annual report

SUPPLEMENT B. DETAILED SUSTAINABILITY INFORMATION

Supplement B contains an overview of the indicators we use to measure progress on sustainability and additional information required under certain frameworks. The first section includes information on our employees. Next, we explain how we measure the carbon emissions connected to our business operations and value chain, and finally we describe a number of other indicators connected to our business operations.

EMPLOYEE INFORMATION

The Global Reporting Initiative (GRI) framework requires insight to be given into the composition of the workforce. This supplement contains additional information to that included in the section Non-financial results - Our contribution to social themes, own operations. FTE information is based on data from Achmea's HR information system in the Netherlands and written statements for the foreign entities. To ensure a practical bundling of expertise, Achmea has an operational organisation model consisting of distribution divisions, product divisions, internal services departments and policy-setting staff services. For the implementation of Achmea's personnel policy, HR employs the organisational structure shown in the table below:

TABLE 1. NUMBER OF (INTERNAL) FTE'S AND EMPLOYEES OF ACHMEA AS AT 31 DECEMBER, INCL. THIRD-PARTY COMPANIES AND INTERNATIONAL SUBSIDIARIES

		31 DECEMBER 2023		31 DECEMBER 2022
NUMBER OF EMPLOYEES AS AT OP 31 DECEMBER	FTE[1]	EMPLOYEES	FTE[1]	EMPLOYEES
Achmea Bank	185	182	169	167
Achmea Investment Management	324	301	331	308
Centraal Beheer	865	896	863	900
Central Services	1,123	1,163	1,048	1,081
Pension & Life Division	441	455	460	474
Non-Life Division	2,674	2,725	2,630	2,679
Finance	534	524	519	511
Human Resources	132	130	130	129
Achmea IT	430	423	398	389
Strategy & transformation	782	765	808	791
Interpolis	174	173	174	172
Achmea Pension Services	366	363	377	371
Syntrus Achmea Real Estate & Finance	346	334	425	412
Zilveren Kruis	2,345	2,449	2,293	2,388
Other	596	588	510	500
Subtotal for Achmea in the Netherlands, excl. third-party companies	**11,317**	**11,471**	**11,135**	**11,275**
Eurocross Assistance	220	204	186	175
InShared	189	178	148	136
Customer Contact Services	638	828	589	767
Pim Mulier	0	0	7	10
Subtotal for third-party companies	**1,046**	**1,210**	**930**	**1,088**
Subtotal for Achmea in the Netherlands	**12,364**	**12,681**	**12,064**	**12,363**
Achmea Australia	139	128	120	111
Eureko Sigorta	863	690	812	693
Interamerican Greece	1,502	1,329	1,507	1,334
Union	769	680	773	682
Subtotal for international subsidiaries	**3,272**	**2,827**	**3,211**	**2,820**
Total	**15,636**	**15,508**	**15,275**	**15,183**

1 FTE determined on the basis of a standard working week (for collective labor agreement employees in the Netherlands and employees abroad: 34 hours, for Management and Senior Management: 40 hours).

SUPPLEMENT B. DETAILED SUSTAINABILITY INFORMATION

TABLE 2. NUMBER OF ACHMEA EMPLOYEES BY CONTRACT TYPE AND GENDER, INCL. THIRD-PARTY COMPANIES AND INTERNATIONAL SUBSIDIARIES

	31 DECEMBER 2023		31 DECEMBER 2022	
NUMBER OF EMPLOYEES BY CONTRACT TYPE AND GENDER AS AT 31 DECEMBER	PERMANENT CONTRACT	TEMPORARY CONTRACT[1]	PERMANENT CONTRACT	TEMPORARY CONTRACT
Male	7,281	344	7,220	316
Female	7,143	740	6,968	679
Total	**14,424**	**1,084**	**14,188**	**995**

1 As at 31 December 2023, there are 0 men (2022: 0 men) and 1 woman (2022: 3 women) working in the Netherlands with a non-guaranteed number of hours (0-hour contract) included in the Temporary contract column.

TABLE 3. NUMBER OF ACHMEA EMPLOYEES BY CONTRACT TYPE AND COUNTRY, INCL. THIRD-PARTY COMPANIES AND INTERNATIONAL SUBSIDIARIES

	31 DECEMBER 2023		31 DECEMBER 2022	
NUMBER OF EMPLOYEES BY CONTRACT TYPE AND COUNTRY AS AT 31 DECEMBER	PERMANENT CONTRACT	TEMPORARY CONTRACT	PERMANENT CONTRACT	TEMPORARY CONTRACT
The Netherlands	11,461	1,016	11,340	848
Australia	113	15	103	8
Greece	1,313	16	1,321	13
Slovakia	658	22	571	111
Czech Republic	32	10	25	5
Turkey	843	5	824	10
Suriname	4	0	4	0
Total	**14,424**	**1,084**	**14,188**	**995**

TABLE 4. NUMBER OF ACHMEA EMPLOYEES BY EMPLOYMENT RELATIONSHIP AND GENDER, INCL. THIRD-PARTY COMPANIES AND INTERNATIONAL SUBSIDIARIES

	31 DECEMBER 2023		31 DECEMBER 2022	
NUMBER OF EMPLOYEES BY EMPLOYMENT RELATIONSHIP AND GENDER	FULL-TIME	PART-TIME	FULL-TIME	PART-TIME
Male	6,867	758	6,804	732
Female	4,857	3,026	4,633	3,014
Total	**11,724**	**3,784**	**11,437**	**3,746**

TABLE 5. NUMBER OF INTERNAL AND EXTERNAL EMPLOYEES, INCL. THIRD-PARTY COMPANIES AND INTERNATIONAL SUBSIDIARIES

	31 DECEMBER 2023		31 DECEMBER 2022	
NUMBER OF EMPLOYEES BY EMPLOYMENT RELATIONSHIP AND GENDER	INTERNAL[1]	EXTERNAL[2]	INTERNAL[1]	EXTERNAL[2]
Male	7,625	1,285	7,536	1,259
Female	7,883	1,195	7,647	1,283
Total	**15,508**	**2,480**	**15,183**	**2,542**

1 Internal employees are employees with an employment contract with Achmea.
2 External employees are employees who are hired by Achmea, often to support the activities of internal employees.

SUPPLEMENT B. DETAILED SUSTAINABILITY INFORMATION

TABLE 6. NUMBER OF ACHMEA EMPLOYEES BY CONTRACT TYPE, GENDER AND COUNTRY, INCL. THIRD-PARTY COMPANIES AND INTERNATIONAL SUBSIDIARIES

	31 DECEMBER 2023				31 DECEMBER 2022			
	FULL-TIME		PART-TIME		FULL-TIME		PART-TIME	
NUMBER OF EMPLOYEES BY CONTRACT TYPE AND COUNTRY AS AT 31 DECEMBER	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
The Netherlands	5,619	3,174	716	2,968	5,560	2,979	691	2,958
Australia	51	72	2	3	55	54	1	1
Greece	635	653	22	19	646	645	22	21
Slovakia	195	463	2	20	187	477	1	17
Czech Republic	15	23	1	3	10	15	1	4
Turkey	352	469	15	12	346	460	16	12
Suriname	0	3		1		3		1
Total	**6,867**	**4,857**	**758**	**3,026**	**6,804**	**4,633**	**732**	**3,014**

TABLE 7. NUMBER OF EMPLOYEES COVERED/NOT COVERED BY A COLLECTIVE LABOUR AGREEMENT (CAO) BY GENDER AND COUNTRY, INCL. THIRD-PARTY COMPANIES AND INTERNATIONAL SUBSIDIARIES

		31 DECEMBER 2023
NUMBER OF EMPLOYEES BY CONTRACT TYPE AND COUNTRY AS AT 31 DECEMBER	COVERED BY CAO	NOT COVERED BY CAO
The Netherlands	11,162	1,315
Australia	128	-
Greece	1,329	-
Slovakia	680	-
Czech Republic	-	42
Turkey	690	158
Suriname	-	4
Total	**13,989**	**1,519**

TABLE 8. CEO-PAY RATIO BASED ON AVERAGE REMUNERATION AND MEDIAN

The table below lists the average remuneration for Achmea employees (including international subsidiaries) and the remuneration for the Chair of the Executive Board. In line with the Corporate Governance Code 2022, the remuneration for the Chair of the Executive Board over 2023 is based on salary costs (including social security contributions), pension costs and expense allowances. For internal employees (expressed in FTEs), the average remuneration is determined on the basis of salary costs (including social security contributions) and pension costs. The average number of FTEs in that year was used to calculate the years 2019 to 2022. The comparative figures have not been adjusted based on the revised Corporate Governance Code 2022.

TABLE 8. CEO-PAY RATIO

	2019	2020	2021	2022	2023
CEO pay ratio	24.1	24.2	20.9	22.7	19.8

The CEO pay ratio has also been calculated, in accordance with the requirements of the GRI, on the basis of the median salary of all Achmea employees in the Netherlands, excluding third-party companies and foreign subsidiaries. The salary before payroll tax was used to determine the median salary. The wage before payroll tax is a recognisable benchmark for employees in the Netherlands and excludes pension costs and the employer's share of social security contributions. The CEO pay ratio for 2023 determined in this way is 25.6.

SUPPLEMENT B. DETAILED SUSTAINABILITY INFORMATION

TABLE 9. GENDER PAY GAP AT ACHMEA IN THE NETHERLANDS EXCL. THIRD-PARTY COMPANIES

The table below gives the difference between the average gross hourly wage for male and female employees expressed versus the average gross hourly wage for male employees for employees in the Netherlands excluding third-party companies. A positive percentage means that the average gross hourly wage for men is higher than that for women. The differences between wages for women and men is calculated based on the gross hourly wage in order to exclude differences caused by part-time and full-time positions.

At Achmea positions are weighted irrespective of gender. Women and men with the same work experience, performance and potential receive equal pay. Achmea performed a review analysis in 2023 to verify whether men and women do indeed receive equal pay. It was the third time we had conducted this review. We included the starting salaries of employees in this review (adjusted for starting date). In line with previous years, analysis of employees covered by the collective labour agreement shows that when adjusted for factors such as scale and years of service, gender had no influence on the salary of these employees within Achmea. Achmea's remuneration methodology means that after the starting date there is normally little room for deviation other than as a result of promotion.

In the table below, the calculated gross hourly wage for women is lower than that for men. This is because of the following reasons:

- There are relatively large numbers of men working in higher salary scales, resulting in a higher average hourly wage for men than for women;
- The average number of years of service at Achmea is lower for women than for men;
- The average age of women is lower than that of men. This could point to men reaching a higher position on the salary scale because they have more work experience, inside and/or outside Achmea.

TABLE 9. GENDER PAY GAP OF ACHMEA IN THE NETHERLANDS EXCL. THIRD-PARTY COMPANIES AND INTERNATIONAL SUBSIDIARIES

	2023
RATIO OF AVERAGE GROSS HOURLY WAGE	
Top management	1.5%
Cao employees J and K	5.6%
Cao employees G - I	4.1%
Cao employees F or lower	2.4%
Total	**17.9%**

SUPPLEMENT B. DETAILED SUSTAINABILITY INFORMATION

INFORMATION ON CARBON EMISSIONS CONNECTED TO OUR BUSINESS OPERATIONS AND IN THE CHAIN

Achmea is well aware of the important role that financial institutions such as insurers, investors and lenders occupy in the transition to a carbon-neutral society. We can have an impact here by making our own business operations carbon-neutral. Yet we can also have an impact in our value chain, especially via our investments and funding and our insurance and services. This section gives insight into the carbon emissions connected to our business operations. We also disclose the financed carbon emissions connected to our investments and funding and the insured carbon emissions for the retail motor vehicle portfolio.

In accordance with the Greenhouse Gas Protocol (GHG Protocol), the carbon emissions are expressed in different Scope categories. Scope 1 emissions are direct emissions from own sources or sources that are controlled by Achmea. Scope 2 emissions are indirect emissions from the generation of purchased energy and/or services. Scope 3 emissions are all relevant indirect emissions (not included in Scope 2) connected to our business operations that occur in Achmea's value chain. This concerns, for instance, the carbon footprint of our employees' commuter mileage, but also financed emissions via our investments and funding and the insured emissions of our insurance portfolios.

The charts contain comparative figures. The impact of Covid-19 hinders comparison between 2022 and 2021 (and previous years). A lockdown was in place in the first quarter of 2022 and as a result commuter mileage was severely affected, as were work-related trips or flights. Yet there is also a Covid-19 effect when calculating financed emissions given that the business operations of other companies may have been similarly affected. These developments were positive for the carbon footprint. In addition, Achmea is actively pursuing a policy aimed at reducing carbon emissions. However, it is impossible to quantify the impact of Covid-19 and this policy separately, and this makes it more difficult to interpret the figures over 2022 compared to other years.

Carbon emissions connected to our own operations

We seek to reduce the carbon emissions from our own operations and aim to achieve carbon neutrality in these in 2030. We reduce our environmental impact through reductions in and greening of our energy consumption, cutting paper consumption and reusing our waste. On top of this, since 2011 we have offset Achmea's net carbon emissions in the Netherlands by purchasing carbon emission certificates, whereby our policy of the past few years has been that these certificates must contribute to at least two of our focus SDGs.

BASIS FOR CONVERSION FACTORS

The basis for most of the conversion factors for our footprint is the List of CO_2 emission factors (www.CO2emissiefactoren.nl). For paper we use the Milieubarometer of Stichting Stimular. For air travel our travel agent uses the conversion factors published by the Climate Neutral Group (CNG). Since 2021 our waste processor has used a new tool for its calculations, the impact checker (www.impactinstitute.com). This enables us to calculate carbon emissions more accurately than in the past. Commuting distance is estimated by multiplying the distance between the employee's registered place of work and their place of residence by the number of registered travel days. An adjustment is made for holidays and absenteeism and account is taken of the impact of Covid-19. Achmea uses green procurement in its business operations. This relates to e.g. gas, electricity, fuel for leased cars and external servers. For electricity, for instance, the origin and source of this green electricity are established in what are known as Guarantees of Origin (GOs); for 2023 this is European wind power.

SCOPE OF CARBON DATA

We measure the carbon footprint of our energy use, mobility, refrigerants use, paper consumption, waste and outsourced servers. Carbon emissions for Achmea Netherlands are measured excluding third-party companies (please see supplement H. Glossary for the definition). Third-party companies are included in the calculation of the carbon footprint from the consumption of gas (scope 1) and electricity (scope 2). The table below shows the carbon emissions for the past few years.

CARBON-EMISSIONS GROSS/NET

	SCOPE 1	SCOPE 2	SCOPE 3	GROSS TOTAL	NET TOTAL
2019	11	21	20	52	46
2020	7	12	7	26	10
2021	6	11	4	22	4
2022	6	12	6	23	8
2023	6	11	8	25	12

Compared to last year, gross Carbon emissions increased slightly (2023: 25 kilotons compared to 2022: 23 kilotons). This is a result of less energy consumption on the one hand, due to energy-saving measures, and on the other to more work-related and commuter mileage. Net Carbon emissions have also increased (2023: 12 kilotons compared to 2022: 8.5 kilotons). This is mainly due to the increase in business and commuting traffic. Energy-saving measures have less effect on net carbon emissions because the carbon emissions of the energy we purchase are already largely compensated by the energy suppliers. Net carbon emissions are offset in full by purchasing certificates.

SUPPLEMENT B. DETAILED SUSTAINABILITY INFORMATION

Carbon emissions of our investment portfolio (financed emissions)

Achmea incorporates sustainability information, including data on climate change, into its investment process and reports on this. We do so knowing that climate change and the transition to a low-carbon economy can have an impact on the value of our investments. We measure the carbon content of the most relevant investments and loans and have set reduction targets and drawn up action plans. Relevant investments are those in which we can make the greatest contribution to restricting climate change. This might be because we ourselves own and control them, such as in the case of real estate, corporate bonds and equities. Yet relevant can also mean that these investments occupy a large weight in our investment portfolio, such as government bonds and mortgages.

For each of the individual asset classes we have defined action plans for reducing carbon emissions. Read more on this in the section Results, Our contribution to environmental themes. The reduction plans as set out in the Climate Transition Plan can be found here. Our relevant own risk investments comprise investments in equities, corporate bonds, government bonds, mortgages, investment property and other investments (including investment loans).

The Financed emissions table shows for each asset class which portion of investments we have been able to determine the financed carbon emissions. As agreed in the Dutch National Climate Agreement, over the next few years we will continue to investigate whether we can chart the carbon emissions of a larger portion of our investments. At the moment this is not always possible because of the lack of a uniform methodology for measuring Carbon for some investments. In some cases, Carbon data are either unavailable or incomplete. This means it is not always possible to compare the carbon emissions of the individual asset classes. For example, for investment loans we only measure the Scope 1 emissions, while for corporate bonds we measure the Scope 1 and 3 emissions and for investment property we measure the Scope 1, 2 and 3 emissions (see below for more information).

METHODOLOGY

When calculating the absolute carbon emissions, carbon footprint and carbon intensity, we follow the recommendations of the Dutch Platform Carbon Accounting Financials (PCAF) and the Task Force on Climate-related Financial Disclosures (TCFD) respectively. In accordance with the GHG Protocol, the carbon emissions are expressed in different Scope categories. For the carbon emissions of investments we define these categories from the perspective of the entity/property in which we invest. Scope 1 emissions are direct emissions from own sources or investment entity/property sources that are under direct control. Scope 2 emissions are indirect emissions from the generation of energy and/or services purchased by the relevant investment entity/property. Scope 3 emissions are all relevant indirect emissions connected to the value chain of the investment entity/property.

Corporate investments (equities and corporate bonds)
Scope 1 and 2 emissions are included in the calculation of the carbon emissions of these investments; Scope 3 emissions are also calculated and explained but not included in the table as the quality and coverage of the data are not deemed to be satisfactory or comprehensive enough. The portion of a company's carbon emissions that are allocated to the investment is determined by the ratio of the value of Achmea's investment (numerator) and the value of the company in which it invests (denominator). This ratio is called the attribution factor. The value of the company (denominator) is Enterprise Value Including Cash (EVIC) and this is defined as the sum of the market capitalisation of ordinary shares and preference shares, the value of total debt and cash and cash equivalents. Use of EVIC is in line with PCAF recommendations.

The absolute carbon emissions of the investments are calculated by multiplying the attribution factor by the total carbon emissions for the company: for an attribution factor of 1%, 1% of the carbon emissions of the company in which Achmea invests are allocated to Achmea. To determine the carbon footprint, the absolute carbon emissions are divided by the total market value of the equity or corporate bond portfolio and multiplied by € 1 million. This is how we calculate the carbon emissions for each million euros invested. The same method is used for investments for the account and risk of policyholders.

Investments in government bonds
To calculate the carbon footprint of government bonds, we only include Scope 1 emissions as stipulated in the United Nations Framework Convention on Climate Change (UNFCCC). Scope 2 and 3 emissions have been left out due to the lack of uniform and reliable data.

These carbon emissions are expressed both including and excluding LULUCF (emissions from Land Use, Land-Use Change and Forestry). These emissions can be attributed to Achmea's investment, whereby the allocation is based on the Gross Domestic Product (GDP) of the country in question adjusted for Purchasing Power Parity (PPP).

Furthermore, we report the carbon footprint (both including and excluding LULUCF): this is the absolute carbon emissions per 1 million euros of invested capital.

SUPPLEMENT B. DETAILED SUSTAINABILITY INFORMATION

Investments in mortgages and banking credit portfolio
When calculating the absolute carbon emissions for mortgages, we first calculate the energy consumption for the collateral. We include gas and electricity consumption in the scope, which means we restrict ourselves to the property's Scope 1 and Scope 2 emissions. This energy consumption is estimated based on the floor area, energy label and type of property (single-family, multi-family, other). If no floor area data are available for a specific building, Achmea uses the average for this type of building as a proxy. This energy consumption is then converted into carbon emissions by multiplying energy consumption by an attribution factor that is calculated by dividing the nominal value of the mortgage by the property's original value and by an emission factor. This method is in line with the recommendations of PCAF.

To determine the carbon footprint, the absolute carbon emissions are divided by the total book value of the mortgage portfolio and multiplied by € 1 million. This is how we calculate the carbon emissions for each million euros invested.

To determine Carbon intensity, the absolute carbon emissions are divided by the total floor area multiplied by the attribution factor. This is how we calculate the carbon emissions per m^2.

Investment property
When measuring the carbon emissions of investment properties, the first step is to determine the energy consumption of the property. We include the Scope 1 and Scope 2 emissions (emissions under the influence of the owner) and in the case of commercial properties also some of the Scope 3 emissions (emissions of the tenant). This energy consumption is then converted into carbon emissions by multiplying the energy consumption by emission factors. At individual property level this is expressed in carbon emissions per m^2 and the sum of these is reported.

Investment loans
When calculating the carbon emissions of the investment loans, we take account of the energy consumption of the residential properties managed by housing corporations. Due to restrictions on the availability of data, we only include the Scope 1 emissions (emissions connected to gas). The carbon intensity (CO_2 per m^2) of the portfolio containing loans to housing corporations is calculated as the sum of the value of each loan to a housing corporation versus the total portfolio value multiplied by the housing corporation's carbon emissions per m^2.

SOURCE AND SCOPE OF CARBON DATA

Corporate investments (equities and corporate bonds) and government bonds
We use Carbon data purchased from MSCI to calculate the carbon footprint of our investments in equities, corporate bonds and government bonds (both for own risk and risk policyholders).

Investments in mortgages and banking credit portfolio
When calculating the Carbon emissions per mortgage, we use energy consumption and emission factor tables compiled by the PCAF based on data from Statistics Netherlands (CBS) and extrapolations. This methodology yields two tables: one for use when we know the floor area of the property and one for when we do not. The availability of floor area data increases data quality; this is why Achmea aims to use floor area wherever possible.

Investment property
The energy consumption of investment properties is determined based on data derived from smart meters, manual readings, invoices and the Typical Domestic Consumption Values (TDCVs) of national network operators. The carbon footprint for (estimated) energy consumption is based on the emission factors given on www.CO2emissiefactoren.nl.

Investment loans
The Carbon intensity (CO_2 per m^2) is based on the annual benchmark of results for housing corporations in the Netherlands published by Aedes (Results of Aedes benchmark 2022). Aedes is the Dutch Association of Housing Corporations.

The table on the next page shows for which portion of investments in each asset class the carbon footprint has been calculated.

The avoided emissions described by PCAF were not considered relevant in the investment portfolio and were therefore not calculated.

SUPPLEMENT B. DETAILED SUSTAINABILITY INFORMATION

FINANCED EMISSIONS

	AMOUNT INVESTMENT	AMOUNT INVESTMENT IN SCOPE	INVESTMENTS FOR WHICH THE CARBON FOOTPRINT HAS BEEN MEASURED (AS PART OF THE BOOK VALUE OF INVESTMENTS)		PCAF QUALITY SCORE	ABSOLUTE CARBON EMISSIONS	CARBON FOOTPRINT PORTFOLIO	CARBON INTENSITY
2023	€ MILLION	€ MILLION	€ MILLION	%	WEIGHTED AVERAGE	KTON CO_2	(TONNES OF CO_2/MILLION EURO INVESTED CAPITAL)	CO_2/M2
Own risk								
Listed equity	1,104	1,039	1,035	94%	2.07	44.4	42.9	N/a
Funds - equity	403	403	403	100%	2.24	43.8	108.9	N/a
Funds - real estate	618	618	618	100%	2.00	3.6	5.9	21.6
Credits	10,855	10,130	8,417	78%	2.33	378.6	45.0	N/a
Treasury	3,941	3,891	2,595	66%	2.16	18.3	7.1	N/a
EU government bonds	5,668	5,415	5,406	95%	4.00	756.8	140.0	N/a
Non-EU government bonds	614	603	599	97%	4.00	162.4	271.2	N/a
Mortgages (investments insurance operations)	8,401	8,401	8,401	100%	3.23	103.2	12.3	25.8
Mortgages banking credit portfolio	14,151	13,669	13,669	97%	3.61	147.7	10.8	25.8
Investment property	716	716	684	96%	2.00	5.3	7.7	20.6
Investment loans	746	746	722	97%	5.00	N/a	N/a	18.1
Other categories	10,739	-	-	0%	-	-	-	-
Total	**57,956**	**45,631**	**42,549**	**73%**		**1,664.1**		
Account and risk policyholders								
Equities	2,264	2,264	2,263	100%	2.06	79.7	35.2	N/a
Credits	420	383	327	78%	2.35	10.0	30.7	N/a
EU government bonds	1,464	250	250	17%	4.00	36.9	147.5	N/a
Non-EU government bonds	334	237	237	71%	4.00	64.0	269.4	N/a
Funds - equity	431	431	431	100%	2.24	47.8	110.8	N/a
Other categories	7,833	-	-	0%	-	-	-	-
Total	**12,746**	**3,565**	**3,508**	**28%**		**238.3**		

SUPPLEMENT B. DETAILED SUSTAINABILITY INFORMATION

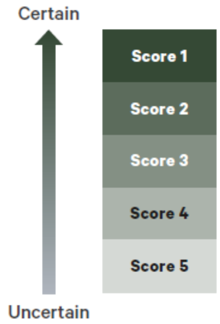
FINANCED EMISSIONS

	AMOUNT INVESTMENT	INVESTMENTS FOR WHICH THE CARBON FOOTPRINT HAS BEEN MEASURED (AS PART OF THE BOOK VALUE OF INVESTMENTS)		PCAF QUALITY SCORE	ABSOLUTE CARBON EMISSIONS	CARBON FOOTPRINT PORTFOLIO	CARBON INTENSITY
2022	€ MILLION	€ MILLION	%	WEIGHTED AVERAGE	KTON CO_2	(TONNES OF CO_2/MILLION EURO INVESTED CAPITAL)	CO_2/M2
Own risk							
Listed equity	1,760	1,269	72%	2.11	61.3	48.3	N/a
Credits	11,870	9,028	76%	2.03	423.1	46.9	N/a
Government bonds	8,202	5,824	71%	N/a	15.8	2.7	N/a
Mortgages (investments insurance operations)	7,657	7,657	100%	5.00	121.6	13.8	N/a
Mortgages banking credit portfolio	12,328	11,727	95%	5.00	157.6	13.4	N/a
Investment property	1,028	672	65%	2.00	7.1	10.1	N/a
Investment loans	1,274	689	54%	5.00	N/a	N/a	18.8
Other categories	13,499	-	0%	-	-	-	-
Total	**57,618**	**36,866**	**64%**		**786.5**		
Account and risk policyholders							
Equities	2,404	1,995	83%	N/a	N/a	40.8	N/a
Credits	4,410	315	7%	N/a	N/a	36.1	N/a
Other categories	5,306	-	0%	-	-	-	-
Total	**12,120**	**2,310**	**19%**				

SUPPLEMENT B. DETAILED SUSTAINABILITY INFORMATION

PCAF DATA QUALITY SCORE HIERARCHY PER ASSET CLASS

With a view to defining more accurately the weighted average PCAF data quality score per asset class as presented in the table on the previous page, we have included the hierarchy per asset class in the table below. Data quality is determined on the basis of standards as prescribed by the PCAF, in which each investment is awarded a score of 1 (reported emissions) to 5 (estimated emissions). This score will improve in future as more companies report on carbon emissions. The table below shows what percentage of the measured population falls into the relevant data quality score category.



PCAF QUALITY SCORE PER CATEGORY	SCORE 1	SCORE 2	SCORE 3	SCORE 4	SCORE 5
Own risk					
Listed equity	-	96.6%	-	3.4%	-
Funds - equity	-	88.0%	-	12.0%	-
Funds - real estate	-	100%	-	-	-
Credits	-	83.4%	-	16.6%	-
Treasury	-	91.1%	-	8.2%	-
EU government bonds	-	-	-	100%	-
Non-EU government bonds	-	-	-	100%	-
Mortgages bank (investments insurance operations)	-	-	79.0%	19.0%	2.0%
Mortgages banking credit portfolio	-	-	44.0%	52.0%	4.0%
Investment property	-	100%	-	-	-
Investment loans	-	-	-	-	100%
Account and risk policyholders					
Equities	-	97.0%	-	3.0%	-
Credits	-	82.3%	-	17.7%	-
EU government bonds	-	-	-	100%	-
Non-EU government bonds	-	-	-	100%	-
Funds - equity	-	88%	-	12%	-

RESULTS

In 2023, we expanded the number of categories for which absolute Carbon emissions are measured. This applies to the categories of Treasury, equity funds and real estate funds, among others. Due to the lack of (consistent) data, no comparative figures have been included for these categories. Just as in 2022, only carbon intensity figures are available for investment loans.

For 2023, the carbon footprint of the equity portfolio for which we measured carbon emissions was 60.2% lower (2022: 45.2% lower) than the benchmark (MSCI World). For 2023, the carbon footprint of Achmea corporate bonds was 66.9% lower than the benchmark index (2022: 61.6% lower).

As at 31 December 2023, the carbon footprint of the Global Quality Value Equities & Global Enhanced Equities portfolio is 50.5 tonnes of CO_2/mln USD sales (2022: 60.1 tonnes of CO_2/mln USD sales). The MSCI World benchmark was 107.8 tonnes CO_2/mln USD sales (2022: 122.3 tonnes CO_2/mln USD sales). The carbon footprint of the Investment Grade Credit Portfolio as at 31 December 2023 amounted to 79.6 tonnes of CO_2/mln USD sales (2022: 115.9 tonnes of CO_2/mln USD sales). The Reference Index was 135.7 tonnes CO_2/mln USD sales (2022: 195.3 tonnes CO_2/mln USD sales).

In addition to the Scope 1 and 2 Carbon emissions presented in the table, we also determined the Scope 3 emissions. The absolute Scope 3 emissions of the listed shares for 2023 amounts to 1,554 kilotons, with a weighted average PCAF data quality score of 2.49. The absolute Scope 3 emissions of corporate bonds for 2023 amounts to 3,470 kilotons, with a weighted average PCAF data quality score of 2.44.

The EU and non-EU sovereign bonds as presented in the table are excluding emissions arising from Land use, Land change and

SUPPLEMENT B. DETAILED SUSTAINABILITY INFORMATION

Forestry (LULUCF). There is still a lot of uncertainty about the measurement of the LULUCF and there is a lack of a consistent calculation method that is applied by all countries. The carbon footprint (tonnes of CO_2/million euros invested capital) including LULUCF is 135.3 for EU government bonds and 294.14 for non-EU government bonds for own account. For the account and risk policyholder account EU government bonds, the carbon footprint including LULUCF is 147.8 and for Non-EU government bonds it is 238.9. As described in Supplement A., the comparative figures have not been adjusted due to the lack of consistent data.

Carbon emissions of our insurance portfolio

As an insurer and service provider we occupy a facilitating role in enabling and accelerating the transition to a climate-neutral society. The carbon emissions that can be associated with our (re)insurance and service portfolios are part of our scope 3 emissions.

Achmea's ambition is for its insurance portfolio to be carbon-neutral in 2050 or earlier if possible. See also the Climate Transition Plan for more information on how we aim to achieve this. To this end, Achmea has joined the Net-Zero Insurance Transition Forum (NZITF), formerly the Net-Zero Insurance Alliance (NZIA). In order to accomplish our goal in 2050 and help our customers in a way that they perceive as appealing, we need to know the current carbon emissions of our portfolio. In 2022 we started measuring the carbon emissions of the retail motor vehicle insurance portfolio. This is a material portfolio for Achmea and moreover one that has a huge impact on carbon emissions.

GROSS PREMIUM INCOME	2021	2022	2023
Total non-life	3,766	3,864	4,034
In scope for emissions calculation	1,000	1,003	1,022

SCOPE PORTFOLIO

Brands

Achmea sells retail motor vehicle insurance via five brands in the Netherlands. We have included the portfolios of four of the brands in the calculations: Centraal Beheer, Interpolis, FBTO and InShared. The portfolio managed via Avéro Achmea (underwriting agents) has been excluded for the time being due to a lack of data.

Types of vehicles

Within the retail motor vehicle portfolio we have included cars and people carriers in the calculations. This means that we have included approximately 90% of the total number of insured vehicles in the mobility portfolio in our calculations. All other types of vehicles, such as motorbikes, mopeds, bicycles, caravans and classic cars, have been excluded for the time being. Too little high-quality emissions data is available for these types of vehicles or there is no information on the number of kilometres driven to be able to calculate emissions with sufficient accuracy.

METHODOLOGY

The calculation of the insurance-related emissions is based on the PCAF Insurance-Associated Emissions Standard, Personal line Motor.

The insurance-related emissions are calculated by multiplying an attribution factor with the emissions from the insured vehicle.

The attribution factor is determined by dividing the paid insurance premium by the total costs of using the insured vehicle. Achmea applies an attribution factor that is in line with PCAF requirements and calculated specifically for the Dutch market. This factor is 5.12% and best matches the population covered by the calculation.

The emissions of the insured cars are calculated by multiplying the vehicle-specific emissions based on make and type by the estimated consumption of the vehicle based on the fuel type (PCAF method: Option 2a (p.46-48 of the report)). The data on vehicle-specific emissions were obtained from the National Road Transport Agency (RDW). For a number of cars insured with us, the emissions per kilometer are not known to the RDW. For these cars, we have estimated the emissions of the car based on the average emissions of the fuel type of the same type of car (based on make, model, year of manufacture and fuel).

The data on the number of kilometers driven is obtained from the Central Bureau of Statistics. For 2022 and 2023, the average number of kilometers driven is based on data from 2022, as 2023 was not yet available. The data on emissions from the electricity supply (only for electric cars) comes from Nowtricity.

In addition to the calculation of the absolute insurance-related emissions, we also calculated the average insurance-related emissions per car per kilometer for the cars in the portfolios of Centraal Beheer, Interpolis and FBTO. This average is the unweighted average of the emissions per kilometer of each car that we have insured and for which the emission data is available from RDW.

While the absolute emissions provide insight into the total impact of the portfolio on the climate, the average per car per kilometer provides insight into the quality/efficiency of the portfolio and also allows comparison with other portfolios.

SUPPLEMENT B. DETAILED SUSTAINABILITY INFORMATION

For 2021 is 92%, 2022 is 100% and in 2023 94% of the insured portfolio is included in the calculation. The presented absolute emissions have been extrapolated to 100% by scaling.

INSURANCE ASSOCIATED EMISSIONS

	2021	2022	2023
Insurance related emissions (kton CO_2)	136	142	135
Average insurance related emissions per car (gram/kilometer)	7.31	7.09	7.01
Data quality score	2	2	2

Results

A minor increase is visible in the insurance-related emissions for 2022 versus 2021. This is mainly because the number of kilometers driven increased again in 2022 after the coronavirus pandemic. The number of average kilometers driven used in the 2023 calculation is the same as 2022 due to data inavailability. A slight contraction in the insured portfolio in 2023 and a decrease in average emissions per vehicle means that emissions are lower compared to 2022.

Average insurance-related emissions per vehicle per kilometer have been declining since 2021. The composition of the portfolio has improved slightly in terms of average emissions per vehicle. We saw a small increase in the proportion of electric vehicles in the insurance portfolio in 2023.

OTHER INDICATORS

Energy savings own business operations

Energy consumption for Achmea Netherlands, as shown in the following table, is measured excluding third-party companies (please see Supplement H. Glossary for the definition). Third-party companies are included in the calculation of the consumption of gas and electricity.

In 2023, energy consumption decreased by 2% compared to 2022 (11% in 2022 compared to 2021). This can largely be explained by energy-saving measures in the buildings.

ENERGY CONSUMPTION (IN GIGAJOULE X 1000)

	SUPPLY CHAIN SERVERS	MOBILITY LEASE CARS	POWER CONSUMP-TION	NATURAL GAS CONSUMP-TION	TOTAL
2019	31.3	86.3	260.5	45.6	423.7
2020	29.7	48.8	179.8	39.7	298.0
2021	29.2	46.4	166.6	39.4	281.6
2022	22.4	55.7	149.7	23.0	250.8
2023	19.4	58.3	145.7	22.5	245.9

Paper and water consumption own operations

Paper and water consumption are determined for Achmea Netherlands excluding third-party companies (for a definition, see Appendix H. Glossary). The paper consumption consists of paper consumption for communication with our customers and the paper consumption for our internal business operations (a very limited part).

Since 2014, there has been a significant decrease in the number of physical communications sent to our customers. Whereas in 2014 about 90 million physical expressions were sent, this has been reduced to about 20 million in 2023. This is despite the fact that Achmea's total insurance portfolio has increased. The decline can be attributed to far-reaching digitization and self-service within the various brands. In addition, the focus of marketing has shifted from campaigns with physical expressions to digital expressions. In 2023, paper consumption in the Netherlands decreased by 13% (59,000 kg) compared to 2022 and 60% compared to 2019.

The water consumption is determined by measuring the water that is taken from the water supply network (via water taps in and around the buildings). This drinking water is used, among other things, for pantries, restaurants, window cleaning and toilets. Although at Achmea we encourage employees to drink (tap) water from the point of view of health and vitality, we mainly focus on combating drinking water waste. We do this, among other things, by using water-saving taps and by flushing the toilets at lower volumes. In 2023, water consumption increased by about 10% compared to 2022. The main reason for this is the higher occupancy of office locations in 2023.

SUPPLEMENT B. DETAILED SUSTAINABILITY INFORMATION

Energy labels own risk mortgage and property portfolios

We have set targets for energy labels in our mortgage and property portfolios. Our ambition is to bring the mortgage and property portfolios to an average A energy label as of 2030. The energy label tells us how energy efficient a building is and which energy-saving measures are still possible. The energy label is determined based on fossil fuel consumption, expressed in kilowatt hours per square metre per year (kWh/m² per year). The smaller the amount of fossil fuel the home uses, the better the energy label. G is the lowest energy label and A++++ the highest.

	Real Estate Portfolio		Mortgage Portfolio investments insurance operations		Mortgages Banking Credit Portfolio	
2023	Bookvalue (€ mln)	% of portfolio	Bookvalue (€ mln)	% of portfolio	Bookvalue (€ mln)	% of portfolio
A++++	-	-	7	0%	10	0%
A+++	-	-	27	0%	40	0%
A++	74	10%	19	0%	28	0%
A+	19	3%	31	0%	68	0%
A	323	45%	1.447	17%	2.611	18%
B	241	34%	1.070	13%	2.226	16%
C	57	8%	2.077	25%	3.677	26%
D	1	0%	824	10%	1.414	10%
E	1	0%	577	7%	965	7%
F	-	-	464	6%	1.162	8%
G	-	-	450	5%	1.236	9%
Unknown	-	-	1.408	17%	714	5%
	716	100%	8.401	100%	14.151	100%

SUPPLEMENT C. EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

EU TAXONOMY REGULATION

According to the European Commission, "The EU Taxonomy (EUT) is the cornerstone of the European Union's (EU) sustainable finance framework and a tool that leads to market transparency. It directs investments to the economic activity that is most time-effective for the transition, in line with the objectives of the European Green Deal.' The EUT is a classification system that defines criteria for economic activities that correspond to the net zero path by 2050 and the broader environmental objectives other than climate. The EUT ensures a level playing field for financial and non-financial undertakings with regard to the definition of sustainability under the EU. As a result of the EUT Regulation, the European Commission has established an effective list of economic activities that meet the environmental objective by defining so-called technical screening criteria (TSC) for each of the environmental objectives through additional legislation.

According to the EU Taxonomy, an activity is sustainable if it contributes positively to at least one of the six defined environmental objectives of the EU Taxonomy and does not significantly harm the other environmental objectives (DNSH) and meets the minimum guarantees (MS).[2] Achmea B.V. falls within the scope of this legislation and applies these disclosure requirements in its consolidated annual report. A simplified regime was applied to the disclosure requirements under the EU Taxonomy for the annual report over 2022. This meant that disclosure of information on which portion of a company's activities are eligible for alignment with the EU Taxonomy was sufficient. This simplified regime no longer applies to the 2023 annual report and we therefore also need to disclose information on which portion of the activities are actually aligned with the EU Taxonomy criteria, thereby contributing to the EU's sustainability goals.

Only those economic activities that can contribute most to the policy goals formulated by the EU are included in the EU Taxonomy. The EU Taxonomy has six environmental objectives. So far only the criteria for meeting the environmental objectives aimed at 'Climate Mitigation' and 'Climate Adaptation' have been defined through a separate Climate Regulation; for the other objectives, Achmea only has to indicate whether the activities are eligible. As a result, the explanatory notes in the annual report, with regard to alignment with the EU Taxonomy, relate in particular to the two objectives mentioned above.

Achmea Group, reported on in the consolidated annual report, is a financial services provider with dominant insurance activities. Although Achmea B.V. itself is not a financial service provider, given the consolidated nature of the annual report we believe it best to give an idea of the sustainability of our activities if we monitor the KPIs as defined for insurers, credit institutions and asset managers in the EU Taxonomy. The addition of the KPIs for credit institutions and asset managers versus 2023 is the result of clarification on EU legislation.

The EUT requires a number of interpretations and also assumptions due to the lack of certain data. We have aligned our interpretations with what is customary in the market. Due to the fact that this is new legislation and also the fact that there is little experience in both the Netherlands and Europe with reporting such information, we expect that further guidance (FAQ) will be provided by the European Commission or other bodies. For example, on 21 December 2023, the EU issued draft guidance on the interpretation of the TSC. Achmea has complied with this requirement as much as possible. Based on new guidance and advancing insight, it may be necessary to make changes in the future that may have an impact on the reported information, both in terms of form and content.

Principal general assumptions on establishing alignment with the EU Taxonomy

Meeting minimum safeguards only applies to counterparties that are not private individuals. There is no central register of counterparties that records violations of minimum safeguards, as a result of which it is not possible to verify whether minimum safeguards are being met and the underlying activities cannot be accounted for as 'taxonomy-aligned activities'.

Where insufficient data is available for assessing the Technical Screening Criteria, the economic activity is not accounted for as a taxonomy-aligned activity.

[2] These three components are included in the Climate Regulation (Commission Delegated Regulation (EU) 2020/852) and further elaborated in 2021/2139.

SUPPLEMENT C. EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

ECONOMIC SECTORS
On Achmea's balance sheet, two of its own economic activities have been identified that are tested against the TSC. In the economic activity 'real estate and related the issuance of mortgage loans', Achmea has applied climate change mending as its environmental objective. The TSC provide direction for the information that Achmea must have in order to provide accurate information, how activities should be set up in order to be considered sustainable and provide Achmea with insights into the climate vulnerability of these economic activities. In the case of non-life insurance, the EUT is used to determine whether the insurance products are in line with the EU's definition of sustainability.

INVESTMENTS

Investments eligible for alignment with the EU Taxonomy

In addition to the alignment-assessed activities, all other assets of Achmea are assessed against the general technical screening criteria.

In order to provide insight into the sustainability of Achmea's assets as a financial conglomerate, we do not distinguish between assets included in the consolidated financial statements of Achmea B.V. and the investments Achmea manages for third parties. This means that we include both disclosures for the total investments of the insurer/bank as included in our balance sheet and additional disclosures for the investments we manage for third parties in our role as asset manager. Where portfolio management has been delegated to Achmea by another financial institution, Achmea does not include these assets as the financial institutions themselves already report this. Specifically for the banking activities, we include an explanation of the green asset ratio (GAR).

Key *requirements* in determining the EU Taxonomy alignment for the investments.

When determining the alignment with the EUT, we apply the following regulations from the legislation.

Investments issued by central governments, central banks and supranational issuers are excluded from the calculation of the percentage of investments eligible for alignment with the EU Taxonomy (both in the numerator and in the denominator of Table 1).

Derivatives are not included due to the fact that derivatives are primarily used to reduce risk rather than to finance an asset or an economic activity. The derivatives are part of the denominator in Table 1.

Investments issued by companies that do not fall under the NFRD regime are not included, but are included in the denominator in Table 1.

Most important basic principles and assumptions when establishing alignment with EU Taxonomy for investments As a result of the above-mentioned regulations, alignment with the EUT focuses on the asset classes of equities, corporate bonds and loans, investment properties and mortgages. The most important assumptions and assumptions that we use are explained below for each relevant investment class.

For *Equities, Corporate Bonds and Loans,* reconciliation is based on factual information provided by the companies, in accordance with further explanation of the EUT (Frequently Asked Questions EU (FAQ)). To do this, we use information collected by data suppliers.

For the preparation of the notes for the 2023 annual report, only limited reported data is available for the investments in our investment portfolio. This has an impact on the size of the investments aligned with the EUT. When more data becomes available (including data on investment funds in which we invest), the actual size may and will deviate from the size included in the table.

For *Real Estate Investments*, we choose to focus on alignment for the environmental objective.

Climate change mitigation.
The substantial contribution for real estate is a contribution in the field of energy efficiency of the real estate. In order to meet the DNSH criteria, it is then necessary to establish the other environmental objectives. The assessment of the minimum guarantees shall be carried out, where appropriate, by means of an analysis per user.

For *the issuance of mortgage loans,* we apply the possibility offered by EU legislation to apply the Technical Screening Criteria for the investment property (for the purchase and ownership of real estate).
Achmea has chosen to focus on alignment with the environmental objective of Climate Mitigation. The mortgage portfolio is aimed at providing loans to private individuals ('households'), which means that the assessment of the minimum guarantees does not apply. As a result, mortgages also fall within the scope of the NFRD.
With regard to the issuance of mortgage loans for green renovations, Achmea does not have sufficient data available. In the EU's latest draft FAQ, the minimum guarantees for this would apply. The DNSH criteria are met when there is no material impact arising from climate-related risks during the term of the mortgage.

SUPPLEMENT C. EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

Tables containing EU-prescribed KPIs and specifications relating to investments on Achmea's balance sheet

Tables 1 to 4 contain the KPIs prescribed by the EU and their specification that relate to the investments recognised in Achmea's consolidated balance sheet. Table 1 shows a KPI that includes the investments that Achmea manages for third parties, with the exception of investments whose management is outsourced to Achmea and which are themselves financial institutions that report under the CSRD.

The assets supporting the transition are investments in economic activities that contribute substantially to the long-term temperature target of the Paris Agreement. Enabling assets refer to investments in economic activities that facilitate other activities that make a substantial contribution to one or more of the environmental objectives of the EU Taxonomy.

TABLE 1: THE PROPORTION OF THE INSURANCE OR REINSURANCE UNDERTAKING'S INVESTMENTS THAT ARE DIRECTED AT FUNDING, OR ARE ASSOCIATED WITH, TAXONOMY-ALIGNED IN RELATION TO TOTAL INVESTMENTS

			31 DECEMBER 2023
	%		€ MILLION
The weighted average value of all the investments of Achmea that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below:	3%	The weighted average value of all the investments of Achmea that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below:	5,887
Turnover-based	6%	Turnover-based	10,354
Capital expenditures-based	1%	Capital expenditures-based	1,419
The percentage of assets covered by the KPI relative to total investments of Achmea (total AuM). Excluding investments in sovereign entities. AuM includes the so called Assets under Advice. In an additional disclosure, Achmea includes a split: a) Own account, b) Asset under management and c) Assets under Advice where the counterpart is no financial institution.		The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.	
Coverage ratio	100%	Coverage	171,727

SUPPLEMENT C. EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

TABLE 1B. CONTEXT OF TOTAL INVESTMENTS

	31 DECEMBER 2023	
	€ MILLION	%
Total investments	**226,492**	
Covered assets	**171,727**	**100%**
Derivatives'	-1,596	-1%
Non-NFRD-company's	48,969	29%
Investments for which data are insufficient to assess their classification	64,090	37%
Investments subject to EUT assessment	**60,264**	**35%**
Investments eligible for the EU Taxonomy	**37,595**	**22%**
Investments with insufficient data for taxonomy analysis	25,534	15%
Investments that do not meet the minimum safeguards	37	0%
Investments that do not meet the technical screening criteria for a substantial contribution (SC)	20,590	12%
Investments that do not meet the Technical Screening criteria for Do No Significant Harm (DNSH)	3,749	2%
Taxonomy-aligned activities	**10,354**	**6%**

The difference between total investments and covered assets is caused by investments that cannot be classified as covered assets under European legislation, which currently include categories such as government bonds, receivables and other assets. Derivatives, investments in non-NFRD companies and investments for which no data is available are not eligible for alignment with the EU Taxonomy.

The 'Investments subject to EUT assessment' row contains the total investments in those companies. The part of the economic activities of these companies that is Eligible is included in the line 'Investments eligible for the EU Taxonomy'. The investments that are eligible for alignment with the EU taxonomy have been analysed at issuer level for compliance with the minimum safeguards and the technical screening criteria for 'Substantial Contribution' and 'Do No Significant Harm'. The result concerns the investments that are aligned with EU Taxonomy (EU Taxonomy aligned activities).

Tables 1 to 9 cover all assets under management. This concerns both the investments on Achmea's balance sheet and the investments of Achmea Investment Management and Syntrus Achmea Real Estate and Finance. Achmea Investment Management (AIM) has total assets under management of € 190 billion. Of this, € 115.7 billion relates to investments carried out by external asset managers, where AIM only has an advisory role. Of these fiduciary investments, € 17.4 billion are managed by financial institutions that independently report on alignment with the EU Taxonomy, these investments are therefore not taken into account. Also excluded is € 7.1 billion in liquidity managed by AIM and € 21.5 billion intercompany investments. The remainder (€ 143.9 billion) concerns investments in pension funds or funds managed by AIM.

In addition to the total investments on Achmea's balance sheet and the investments of Achmea Investment Management, the tables also include the fiduciary activities of Syntrus Achmea Real Estate and Finance (SAREF) (€ 11.9 billion).

SUPPLEMENT C. EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

If the fiduciary activities of AIM and SAREF are not taken into account and only the investments recognised on Achmea B.V.'s balance sheet are taken into account, the total investment is € 70.7 billion, the covered assets are € 59.3 billion, the investments eligible for the EU Taxonomy are € 30.2 billion (51%) and the taxonomy aligned activities are € 4 billion (7%).

Do No Significant Harm Economic Activities (Direct Real Estate and Mortgage Loan Issuance)

Climate adaptation

When Direct Real Estate/Mortgage Loan is aligned with the substantial contribution criteria for Climate Change Mitigation (CCM), it must be determined whether the investment/loan is also in line with the Do No Significant Harm principles for other climate and other environmental goals in the EU Taxonomy.

Achmea has carried out a Climate Risk and Vulnerability Assessment (CRVA) in line with the European Commission's 'Appendix A: Generic criteria for DNSH to Climate Change Adaptation'. Our CRVA screens whether relevant physical climate risks may affect the performance of the economic activity during its expected lifetime. Achmea has defined the performance of mortgage loans as 'impacted by physical climate risks' when the borrower experiences significant disruption or the collateral building is significantly damaged, to the point that the affordability of the loan or the habitability of the building is compromised. For Direct Real Estate, the definition also includes the attractiveness of the building for the occupants and investors.

Climate Risk Vulnerability Assessment

Achmea's CRVA uses climate projections up to 2050 from the KNMI'14 WH scenario of the Royal Netherlands Meteorological Institute (KNMI), which is in line with the Representative Concentration Pathway 8.5 (RCP 8.5) of the Intergovernmental Panel on Climate Change (IPCC) from their Assessment Report 5 (AR5). At the end of 2023, the Royal Netherlands Meteorological Institute (KNMI) also published its scenarios for 2023, which we have not been able to incorporate into this report. Climate risks are assessed using open source methodology from the Climate Impact Atlas of the Climate Adaptation Services Foundation (CAS) to map different types of physical climate risks on individual collateral objects in our mortgage portfolio with environmental scores. Achmea's methodology incorporates the guidelines of the Dutch Green Building Council (DGBC). At the moment, our CRVA does not take into account the adaptive capacity at the building level. If sufficient adaptive capacity data becomes available in the future, our CRVA methodology will be updated. In addition, the data from the Climate Impact Atlas take into account some of the adaptive capacity at government level (such as flood defences).

The CRVA relate to certain physical climatic events, which may expose our clients/users/investors and their homes to risk and which may affect the affordability of their mortgage loan, the economic value of the property and/or its attractiveness to the users of the property. Therefore, the location and other building characteristics are relevant for the exposure to the physical risk types. The following climate issues are relevant and include CRVA:

- Foundation support (pole rot or subsidence)
- Water nuisance (rain or groundwater levels)
- Flooding (probability and depth levels)
- Heat stress (only wildfires have been used for mortgage loans)

In the scenarios, if one of the individual collateral has a high-risk, very high-risk, or data absorption, the loan or investment is deemed not to meet the DNSH criteria.

SUPPLEMENT C. EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

TABLE 2: BREAKDOWN OF THE DENOMINATOR OF THE KPI

			31 DECEMBER 2023
	%		€ MILLION
The percentage of derivatives relative to total assets covered by the KPI.	-1%	The value in monetary amounts of derivatives.	-1,596
The proportion of exposures to financial and non-financial undertakings from EU-countries not subject to the NFRD* over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings from EU-countries not subject to the NFRD:	
For non-financial undertakings	2%	For non-financial undertakings	3,019
For financial undertakings	7%	For financial undertakings	11,985
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to the NFRD (subject to Articles 19a and 29a of Directive 2013/34/EU) over total assets covered by the KPI:		The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.	
For non-financial undertakings	54%	For non-financial undertakings	93,363
For financial undertakings	3%	For financial undertakings	4,605
The proportion of exposures to financial and non-financial undertakings subject to the NFRD (subject to Articles 19a and 29a of Directive 2013/34/EU) over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings subject to the NFRD*:	
For non-financial undertakings	6%	For non-financial undertakings	10,884
For financial undertakings	2%	For financial undertakings	3,052
The proportion of exposures to other counterparties and assets over total assets covered by the KPI:	27%	Value of exposures to other counterparties and assets:	46,414
The proportion of Achmea’s investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities:		Value of Achmea’s investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policyholders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities:	
Turnover-based	0%	Turnover-based	-
Capital expenditures-based	0%	Capital expenditures-based	-
The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI:		Value of all the investments that are funding economic activities that are not Taxonomy-eligible:	
Turnover-based	78%	Turnover-based	134,132
Capital expenditures-based	25%	Capital expenditures-based	42,688
The value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI:		Value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned:	
Turnover-based	16%	Turnover-based	27,241
Capital expenditures-based	1%	Capital expenditures-based	1,118

SUPPLEMENT C. EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

TABLE 3: BREAKDOWN OF THE NUMERATOR OF THE KPI

			31 DECEMBER 2023
	%		€ MILLION
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to the NFRD over total assets covered by the KPI:		Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to the NFRD:	
For non-financial undertakings		For non-financial undertakings	
Turnover-based	1%	Turnover-based	931
Capital expenditures-based	1%	Capital expenditures-based	1,396
For financial undertakings		For financial undertakings	
Turnover-based	-	Turnover-based	-
Capital expenditures-based	-	Capital expenditures-based	-
The proportion of Achmea's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policyholders, that are directed at funding, or are associated with, Taxonomy-aligned:		Value of Achmea's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:	
Turnover-based	-	Turnover-based	-
Capital expenditures-based	-	Capital expenditures-based	-
The proportion of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:		Value of Taxonomy-aligned exposures to other counterparties and assets:	
Turnover-based	5%	Turnover-based	9,423
Capital expenditures-based	0%	Capital expenditures-based	23

SUPPLEMENT C. EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

TABLE 4: BREAKDOWN OF THE NUMERATOR OF THE KPI PER ENVIRONMENTAL OBJECTIVE

				31 DECEMBER 2023
	TURNOVER		CAPEX	
	%	€ MILLION	%	€ MILLION
Climate Change Mitigation (1):	6%	10,337	1%	1,393
Of which transitional	2%	3,574	0%	38
Of which enabling	0%	357	0%	493
Climate Change Adaptation (2):	0%	17	0%	27
Of which enabling	0%	4	0%	7
Sustainable use and protection of water and marine resources (3)	N.v.t.	N.v.t.	N.v.t.	N.v.t.
Transition to a circular economy (4)	N.v.t.	N.v.t.	N.v.t.	N.v.t.
Pollution prevention and control (5)	N.v.t.	N.v.t.	N.v.t.	N.v.t.
Protection and restoration of biodiversity and ecosystems (6)	N.v.t.	N.v.t.	N.v.t.	N.v.t.

SUPPLEMENT C. EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

Nuclear and fossil gas related activities

Tables 5 to 9 set out the KPIs required by the EU for activities related to nuclear energy and fossil gas, as they could contribute to decarbonisation.

TABLE 5: NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

		31 DECEMBER 2023
		Y/N
	Nuclear energy related activities	
1.	Achmea carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	Y
2.	Achmea carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Y
3.	Achmea carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Y
	Fossil gas related activities	
4.	Achmea carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Y
5.	Achmea carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Y
6.	Achmea carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Y

Due to the lack of data, there is no consistency between the yes/no answers in Table 5 and the reported figures per category 1 to 6 in Tables 6, 7, 8 and 9. In many cases, there is data available about the yes/no question so that it can be answered. If there are investments in the portfolio with activities in one of the aforementioned categories, this category is marked as 'yes' in Table 5. However, quantitative data to substantiate these categories is relatively often lacking, or companies can fall into more than 1 category based on their NACE code. In all these cases, the value of the investment in Tables 6, 7, 8 and 9 is presented in category 7 'other activities'. As a result, it is possible that a category in Table 5 is marked as 'yes' but no invested amount is included in Tables 6, 7, 8 and 9.

SUPPLEMENT C. EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

TABLE 6: NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES - TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR)

(€ MILLION)

		AMOUNT AND PROPORTION											31 DECEMBER 2023
		TURNOVER						CAPEX					
		CCA + CCM		CLIMATE CHANGE MITIGATION		CLIMATE CHANGE ADAPTATION		CCA + CCM		CLIMATE CHANGE MITIGATION		CLIMATE CHANGE ADAPTION	
ECONOMIC ACTIVITIES		€	%	€	%	€	%	€	%	€	%	€	%
1.	Research, development, demonstration and deployment of innovative electricity generation facilities, licenced by Member States' competent authorities in accordance with applicable national law, that produce energy from nuclear processes with minimal waste from the fuel cycle. The activity is classified under NACE code M72 and M72.1	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
2.	Construction and safe operation of new nuclear installations for which the construction permit has been issued by 2045 by Member States' competent authorities, in accordance with applicable national law, to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production (new nuclear installations), as well as their safety upgrades. The activity is classified under NACE codes D35.11 and F42.22	0	0.0%	0	0.0%	-	0%	-	0%	-	0%	-	0%
3.	Modification of existing nuclear installations for the purposes of extension, authorised by Member States' competent authorities by 2040 in accordance with applicable national law, of the service time of safe operation of nuclear installations that produce electricity or heat from nuclear energy ('nuclear power plants'). The activity is classified under NACE codes D35.11 and F42.22	4	0%	4	0%	-	0%	1	0%	1	0%	-	0%
4.	Construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. This activity does not include electricity generation from the exclusive use of renewable non-fossil gaseous and liquid fuels and biogas and bio-liquid fuels. The economic activities in this category may be associated with several NACE codes, notably D35.11 and F42.22	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
5.	Construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. This activity does not include high-efficiency co-generation of heat/cool and power from the exclusive use of renewable non-fossil gaseous and liquid fuels and biogas and bio-liquid fuels. The economic activities in this category may be associated with NACE codes D35.11 and D35.30	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
6.	Construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels connected to efficient district heating and cooling within the meaning of Article 2, point (41) of Directive 2012/27/EU. This activity does not include production of heat/cool in an efficient district heating from the exclusive use of renewable non-fossil gaseous and liquid fuels and biogas and bio-liquid fuels. The activity is classified under NACE code D35.30	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	10,349	100%	10,349	100%	-	0%	1,418	100%	1,418	100%	-	0%
8.	Total applicable KPI	10,354	100%	10,354	100%	-	0%	1,419	100%	1,419	100%	-	0%

SUPPLEMENT C. EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

TABLE 7: NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES - TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR)

(€ MILLION)

		AMOUNT AND PROPORTION											31 DECEMBER 2023
		TURNOVER						CAPEX					
		CCA + CCM		CLIMATE CHANGE MITIGATION		CLIMATE CHANGE ADAPTATION		CCA + CCM		CLIMATE CHANGE MITIGATION		CLIMATE CHANGE ADAPTION	
ECONOMIC ACTIVITIES		€	%	€	%	€	%	€	%	€	%	€	%
1.	Research, development, demonstration and deployment of innovative electricity generation facilities, licenced by Member States' competent authorities in accordance with applicable national law, that produce energy from nuclear processes with minimal waste from the fuel cycle. The activity is classified under NACE code M72 and M72.1	-	-	-	-	-	-	-	-	-	-	-	-
2.	Construction and safe operation of new nuclear installations for which the construction permit has been issued by 2045 by Member States' competent authorities, in accordance with applicable national law, to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production (new nuclear installations), as well as their safety upgrades. The activity is classified under NACE codes D35.11 and F42.22	0	0.0%	0	0.0%	-	-	-	-	-	-	-	-
3.	Modification of existing nuclear installations for the purposes of extension, authorised by Member States' competent authorities by 2040 in accordance with applicable national law, of the service time of safe operation of nuclear installations that produce electricity or heat from nuclear energy ('nuclear power plants'). The activity is classified under NACE codes D35.11 and F42.22	9	0.1%	9	0.1%	-	-	2	0%	2	0%	-	-
4.	Construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. This activity does not include electricity generation from the exclusive use of renewable non-fossil gaseous and liquid fuels and biogas and bio-liquid fuels. The economic activities in this category may be associated with several NACE codes, notably D35.11 and F42.22	-	-	-	-	-	-	-	-	-	-	-	-
5.	Construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. This activity does not include high-efficiency co-generation of heat/cool and power from the exclusive use of renewable non-fossil gaseous and liquid fuels and biogas and bio-liquid fuels. The economic activities in this category may be associated with NACE codes D35.11 and D35.30	-	-	-	-	-	-	-	-	-	-	-	-
6.	Construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels connected to efficient district heating and cooling within the meaning of Article 2, point (41) of Directive 2012/27/EU. This activity does not include production of heat/cool in an efficient district heating from the exclusive use of renewable non-fossil gaseous and liquid fuels and biogas and bio-liquid fuels. The activity is classified under NACE code D35.30	-	-	-	-	-	-	-	-	-	-	-	-
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	10,345	99.9%	10,345	99.9%	-	-	1,417	99.9%	1,417	99.9%	-	-
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	10,354	100%	10,354	100%	-	-	1,419	100%	1,419	100%	-	-

SUPPLEMENT C. EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

TABLE 8: NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES - TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

(€ MILLION)

		AMOUNT AND PROPORTION											31 DECEMBER 2023
		TURNOVER						CAPEX					
		CCA + CCM		CLIMATE CHANGE MITIGATION		CLIMATE CHANGE ADAPTATION		CCA + CCM		CLIMATE CHANGE MITIGATION		CLIMATE CHANGE ADAPTION	
ECONOMIC ACTIVITIES		€	%	€	%	€	%	€	%	€	%	€	%
1.	Research, development, demonstration and deployment of innovative electricity generation facilities, licenced by Member States' competent authorities in accordance with applicable national law, that produce energy from nuclear processes with minimal waste from the fuel cycle. The activity is classified under NACE code M72 and M72.1	-	-	-	-	-	-	-	-	-	-	-	-
2.	Construction and safe operation of new nuclear installations for which the construction permit has been issued by 2045 by Member States' competent authorities, in accordance with applicable national law, to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production (new nuclear installations), as well as their safety upgrades. The activity is classified under NACE codes D35.11 and F42.22	-	-	-	-	-	-	-	-	-	-	-	-
3.	Modification of existing nuclear installations for the purposes of extension, authorised by Member States' competent authorities by 2040 in accordance with applicable national law, of the service time of safe operation of nuclear installations that produce electricity or heat from nuclear energy ('nuclear power plants'). The activity is classified under NACE codes D35.11 and F42.22	1	0.0%	1	0.0%	-	-	1	0.0%	1	0.0%	-	-
4.	Construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. This activity does not include electricity generation from the exclusive use of renewable non-fossil gaseous and liquid fuels and biogas and bio-liquid fuels. The economic activities in this category may be associated with several NACE codes, notably D35.11 and F42.22	15	0.1%	15	0.1%	-	-	7	0.8%	7	0.8%	-	-
5.	Construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. This activity does not include high-efficiency co-generation of heat/cool and power from the exclusive use of renewable non-fossil gaseous and liquid fuels and biogas and bio-liquid fuels. The economic activities in this category may be associated with NACE codes D35.11 and D35.30	36	0.1%	36	0.1%	-	-	27	3.2%	27	3.2%	-	-
6.	Construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels connected to efficient district heating and cooling within the meaning of Article 2, point (41) of Directive 2012/27/EU. This activity does not include production of heat/cool in an efficient district heating from the exclusive use of renewable non-fossil gaseous and liquid fuels and biogas and bio-liquid fuels. The activity is classified under NACE code D35.30	8	0.0%	8	0.0%	-	-	0	0.0%	0	0.0%	-	-
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	27,182	99.8%	27,182	99.8%	-	-	1,083	96.9%	1,083	96.9%	-	-
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	27,241	100%	27,241	100%	-	-	1,118	100%	1,118	100%	-	-

SUPPLEMENT C. EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

TABLE 9: NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES - TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES

		31 DECEMBER 2023	
	ECONOMIC ACTIVITIES	€ MILLION	%
1.	Research, development, demonstration and deployment of innovative electricity generation facilities, licenced by Member States' competent authorities in accordance with applicable national law, that produce energy from nuclear processes with minimal waste from the fuel cycle. The activity is classified under NACE code M72 and M72.1	-	0%
2.	Construction and safe operation of new nuclear installations for which the construction permit has been issued by 2045 by Member States' competent authorities, in accordance with applicable national law, to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production (new nuclear installations), as well as their safety upgrades. The activity is classified under NACE codes D35.11 and F42.22	1	0%
3.	Modification of existing nuclear installations for the purposes of extension, authorised by Member States' competent authorities by 2040 in accordance with applicable national law, of the service time of safe operation of nuclear installations that produce electricity or heat from nuclear energy ('nuclear power plants'). The activity is classified under NACE codes D35.11 and F42.22	6	0%
4.	Construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. This activity does not include electricity generation from the exclusive use of renewable non-fossil gaseous and liquid fuels and biogas and bio-liquid fuels. The economic activities in this category may be associated with several NACE codes, notably D35.11 and F42.22	-	0%
5.	Construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. This activity does not include high-efficiency co-generation of heat/cool and power from the exclusive use of renewable non-fossil gaseous and liquid fuels and biogas and bio-liquid fuels. The economic activities in this category may be associated with NACE codes D35.11 and D35.30	-	0%
6.	Construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels connected to efficient district heating and cooling within the meaning of Article 2, point (41) of Directive 2012/27/EU. This activity does not include production of heat/cool in an efficient district heating from the exclusive use of renewable non-fossil gaseous and liquid fuels and biogas and bio-liquid fuels. The activity is classified under NACE code D35.30	-	0%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	134,125	100%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	134,132	100%

SUPPLEMENT C. EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

Premiums

PREMIUMS ELIGIBLE FOR ALIGNMENT WITH THE EU TAXONOMY

Table 10 shows the gross written premiums of the 'lines of business' with (re-)insurance contracts that are eligible for alignment with the EU Taxonomy. The economic activities of an insurer that may be eligible for alignment with the EU Taxonomy are only related to the environmental objective 'Climate Adaptation' and are linked to NACE code K65.12 (non-life insurance) and K65.20 (reinsurance). These are non-life and health insurance contracts that insure climate-related hazards as part of the coverage. This NACE code K65.12 covers insurance and reinsurance services based on Solvency II lines of business (other than life insurance), consisting of health insurance, income insurance, insurance against accidents at work, motor vehicle liability insurance, other motor insurance, insurance for ships, aircraft and transport, insurance against fire and other damage to property and assistance. If a climate-related hazard is part of the insurance, Achmea has designated the entire premium as eligible for alignment with the EU Taxonomy.

Reinsurance activities that insure climate-related risks (in the insurance contracts that are reinsured) are also included in the gross written premiums that are eligible for alignment with the EU Taxonomy.

Table 10 shows the premiums of the (re)insurance activities that are part of the product groups in the Climate Regulation (non-life and health insurance). Subsequently, it was determined whether the policy conditions explicitly mention coverage for climate-related damage, such as storm damage. If a product provides cover for climate-related risks based on the policy conditions, all gross written premiums of the product are included and not only the part of the premiums that is attributable to the climate-related risks. If climate-related risks are not explicitly mentioned in the policy conditions, the products to which these contracts belong are not included in the premiums that are eligible for alignment with the EU Taxonomy. This concerns, for example, health and disability insurance.

The damage categories motor vehicles, hull, transport/aviation liability, and fire and other movable property are designated as Taxonomy-Eligible activities.

5% of the eligible activities meet the technical screening criteria for 'Substantial Contribution' and 'Do No Significant Harm'. However, there is currently no clear way to determine whether our business customers meet or do not meet the Minimum Safeguard criteria. Based on this observation, we can only conclude that we cannot meet the criteria of Minimum Safeguards on the basis of the availability of data. As a result, the alignment percentage is zero.

SUPPLEMENT C. EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

TABLE 10: % OF PREMIUMS ELIGIBLE FOR ALIGNMENT WITH EU TAXONOMY

(€ MILLION)

	31 DECEMBER 2023	
	GROSS WRITTEN PREMIUMS	OF WHICH LINKED TO ACTIVITIES ELIGIBLE FOR ALIGNMENT WITH THE EU TAXONOMY
Gross written premiums:		
Non-life	4,795	2,006
Health and Life	18,136	-
Total gross written premiums	**22,931**	**2,006**
% of premiums eligible for alignment with EU Taxonomy		9%

TABLE 11. THE INSURANCE KPI FOR INSURANCE AND REINSURANCE COMPANIES

31 DECEMBER 2023

				DNSH (DO NO SIGNIFICANT HARM)					
ECONOMIC ACTIVITIES	ABSOLUTE PREMIUMS, YEAR T (2)	PROPORTION OF PREMIUMS, YEAR T (3)	PROPORTION OF PREMIUMS, YEAR T-1 (4)	CLIMATE CHANGE MITIGATION (5)	WATER AND MARINE RESOURCES (6)	CIRCULAR ECONOMY (7)	POLLUTION (8)	BIODIVERSITY AND ECOSYSTEMS (9)	MINIMUM SAFEGUARDS (10)
	(€ MILLION)	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N
A.1. Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	**-**	**-**	**-**	N/a	N/a	N/a	N/a	N/a	N/a
A.1.1 Of which reinsured	-	-	-	N/a	N/a	N/a	N/a	N/a	N/a
A.1.2 Of which stemming from reinsurance activity	-	-	-	N/a	N/a	N/a	N/a	N/a	N/a
A.1.2.1 Of which reinsured (retrocession)	-	-	-	N/a	N/a	N/a	N/a	N/a	N/a
A.2 Non-life insurance and reinsurance underwriting Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	**2,006**	**49%**	**51%**	N/a	N/a	N/a	N/a	N/a	N/a
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	**2,130**	**51%**	**49%**	N/a	N/a	N/a	N/a	N/a	N/a
Total (A.1 + A.2+ B)	**4,136**	**100%**	**100%**	N/a	N/a	N/a	N/a	N/a	N/a

SUPPLEMENT C. EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

Asset management

Tables 12 to 15 contain the KPIs prescribed by the EU and their specification that relate to the investments that Achmea manages on behalf of third parties. Tables 12 and 13 for asset managers account for the investments where Achmea has influence on the execution of the investment mandates. Tables 14 and 15 for investment firms account for the investments for which Achmea carries out fiduciary management and therefore has no influence on the execution of the investment mandates.

TABLE 12: KPI FOR THE ASSET MANAGEMENT ACTIVITIES

			31 DECEMBER 2023
	%		€ MILLION
The weighted average value of all the investments of Achmea that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investmetns in undertakings per below:	4%	The weighted average value of all the investments of Achmea that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below:	4,921
Turnover-based	8%	Turnover-based	8,953
Capital expenditures-based	1%	Capital expenditures-based	889
The percentage of assets covered by the KPI relative to total investments of Achmea (total AuM). Excluding investments in sovereign entities.		The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.	
Coverage ratio	100%	Coverage	118,646

SUPPLEMENT C. EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

TABLE 12B. CONTEXT OF TOTAL INVESTMENTS

	31 DECEMBER 2023	
	€ MILLION	%
Total investments	**155,790**	
Covered assets	**112,389**	**100%**
Derivatives’	-6,889	-6%
Non-NFRD-company’s	35,708	32%
Investments for which data are insufficient to assess their classification	53,540	48%
Investments subject to EUT assessment	**30,031**	**27%**
Investments eligible for the EU Taxonomy	**12,370**	**11%**
Investments with insufficient data for taxonomy analysis	18,882	17%
Investments that do not meet the minimum safeguards	9	0%
Investments that do not meet the technical screening criteria for a substantial contribution (SC)	2,217	2%
Investments that do not meet the Technical Screening criteria for Do No Significant Harm (DNSH)	2,561	2%
Taxonomy-aligned activities	6,361	**6%**

Tables 12 and 13 relate to the assets under management of Achmea Investment Management and Syntrus Achmea Real Estate and Finance. Achmea Investment Management (AIM) has total assets under management of € 190 billion. Of which, € 115.7 billion relates to investments carried out by external asset managers, where AIM only has an advisory role. Of these fiduciary investments, € 17.4 billion are managed by financial institutions that independently report on alignment with the EU Taxonomy, these investments are therefore not taken into account. Also excluded is € 7.1 billion in liquidity managed by AIM and € 21.5 billion intercompany investments. The remainder (€ 143.9 billion) concerns investments in pension funds or funds managed by AIM.

In addition to the total investments on Achmea's balance sheet and the investments of Achmea Investment Management, the tables also include the fiduciary activities of Syntrus Achmea Real Estate and Finance (SAREF) (€ 41 billion). Of this, € 29.1 billion relates to investments on the balance sheet of Achmea B.V., these investments are recognised in Tables 1 to 9 and not taken into account in Tables 12 to 15. The remainder (€ 11.9 billion) relates to investments in real estate and real estate funds.

The difference between total investments and covered assets is caused by investments that cannot be classified as covered assets under the Deligated Act, which currently include categories such as government bonds, receivables and other assets. Derivatives, investments in non-NFRD companies and investments for which no data is available are not eligible for alignment with the EU Taxonomy.

The row 'Investments subject to EUT assessment' contains the total investments. The part of the economic activities of these companies that is Eligible is included in the line 'Investments eligible for the EU Taxonomy'. The investments that are eligible for alignment with the EU taxonomy have been analyzed at issuer level for compliance with the minimum safeguards and the technical screening criteria for 'Substantial Contribution' and 'Do No Significant Harm'. The result concerns the investments that are aligned with EU Taxonomy.

SUPPLEMENT C. EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

TABLE 13: BREAKDOWN OF THE NUMERATOR OF THE KPI PER ENVIRONMENTAL OBJECTIVE

				31 DECEMBER 2023
	TURNOVER		CAPEX	
	%	€ MILLION	%	€ MILLION
Climate Change Mitigation (1):	8%	8,939	1%	873
Of which transitional	2%	2,602	0%	22
Of which enabling	0%	209	0%	343
Climate Change Adaptation (2):	0%	14	0%	16
Of which enabling	0%	4	0%	7
Sustainable use and protection of water and marine resources (3)	N.v.t.	N.v.t.	N.v.t.	N.v.t.
Transition to a circular economy (4)	N.v.t.	N.v.t.	N.v.t.	N.v.t.
Pollution prevention and control (5)	N.v.t.	N.v.t.	N.v.t.	N.v.t.
Protection and restoration of biodiversity and ecosystems (6)	N.v.t.	N.v.t.	N.v.t.	N.v.t.

TABEL 14. SUMMARY OF KPIS TO BE DISCLOSED BY INVESTMENT FIRMS UNDER ARTICLE 8 TAXONOMY REGULATION

(€ MILLION)

					31 DECEMBER 2023
		TOTAL ENVIRONMENTALLY SUSTAINABLE ASSETS	KPI*	KPI**	% COVERAGE (OVER TOTAL ASSETS)***
Main KPI (for dealing on own account)	Green asset ratio	N/a	N/a	N/a	N/a
		TOTAL REVENUE FROM ENVIRONMENTALLY SUSTAINABLE SERVICES AND ACTIVITIES	KPI	KPI	% COVERAGE (OVER TOTAL REVENUE)
Main KPI (for services and activities other than dealing on own account)	KPI on Revenue****	-	-	-	-

* based on the Turnover KPI of the counterparty

** based on the CapEx KPI of the counterparty

*** % of assets covered by the KPI over total assets

**** fees, commissions and other monetary benefits

Due to the lack of consistent data at issuer level, revenues from environmentally sustainable services and activities cannot be calculated and the outcome in Table 14 is nil.

SUPPLEMENT C. EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

OWN-ACCOUNT TRADING SERVICES

In Table 15, only the bottom line applies to Achmea (concerns the income received by Achmea Investment Management for fiduciary management). In addition, the columns on Sustainable use and protection of water and marine resources, Transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems will be nil or 'not applicable', as no Technical Screening Criteria have yet been published by the EU for the mentioned environmental objectives.

Due to the lack of consistent data at issuer level, revenues from environmentally sustainable services and activities cannot be calculated and the outcome in Table 15 is nil.

TABLE 15. KPI BO - SERVICES IN THE CONTEXT OF OWN ACCOUNT TRADE (1/3)

(€ MILLION)

											31 DECEMBER 2023
				CLIMATE CHANGE MITIGATION (CCM)				CLIMATE CHANGE ADAPTATION (CCA)			
				OF WHICH ASSETS COVERED BY THE EU TAXONOMY (%) (TAXONOMY-ELIGIBLE)				OF WHICH ASSETS COVERED BY THE EU TAXONOMY (%) (TAXONOMY-ELIGIBLE)			
					OF WHICH LINKED TO ACTIVITIES ALIGNED WITH THE EU TAXONOMY (%) (TAXONOMY-ALIGNED)				OF WHICH LINKED TO ACTIVITIES ALIGNED WITH THE EU TAXONOMY (%) (TAXONOMY-ALIGNED)		
		TOTAL	OF WHICH COVERED BY THE KPI			OF WHICH TRANSITIONAL (%)	OF WHICH ENABLING (%)			OF WHICH TRANSITIONAL (%)	OF WHICH ENABLING (%)
1.	Total assets invested under investment firms' activities dealing on own account (as per Section A of Annex I of Directive 2014/65/EU)	114	-	0%	0%	0%	0%	0%	0%	0%	0%
2.	On which: on own behalf	-	-	0%	0%	0%	0%	0%	0%	0%	0%
3.	On which: on behalf of clients	114	-	0%	0%	0%	0%	0%	0%	0%	0%

SUPPLEMENT C. EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

TABLE 15. KPI BO - SERVICES IN THE CONTEXT OF OWN ACCOUNT TRADE (2/3)

(€ MILLION)

31 DECEMBER 2023

		SUSTAINABLE USE AND PROTECTION OF WATER AND MARINE RESOURCES (WTR)				TRANSITION TO A CIRCULAR ECONOMY (CE)				POLLUTION PREVENTION CONTROL (PPC)			
		OF WHICH ASSETS COVERED BY THE EU TAXONOMY (%) (TAXONOMY-ELIGIBLE)				OF WHICH ASSETS COVERED BY THE EU TAXONOMY (%) (TAXONOMY-ELIGIBLE)				OF WHICH ASSETS COVERED BY THE EU TAXONOMY (%) (TAXONOMY-ELIGIBLE)			
			OF WHICH LINKED TO ACTIVITIES ALIGNED WITH THE EU TAXONOMY (%) (TAXONOMY-ALIGNED)				OF WHICH LINKED TO ACTIVITIES ALIGNED WITH THE EU TAXONOMY (%) (TAXONOMY-ALIGNED)				OF WHICH LINKED TO ACTIVITIES ALIGNED WITH THE EU TAXONOMY (%) (TAXONOMY-ALIGNED)		
				OF WHICH TRANSITIONAL (%)	OF WHICH ENABLING (%)			OF WHICH TRANSITIONAL (%)	OF WHICH ENABLING (%)			OF WHICH TRANSITIONAL (%)	OF WHICH ENABLING (%)
1.	Total assets invested under investment firms' activities dealing on own account (as per Section A of Annex I of Directive 2014/65/EU)	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
2.	On which: on own behalf	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
3.	On which: on behalf of clients	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a

TABLE 15. KPI BO - SERVICES IN THE CONTEXT OF OWN ACCOUNT TRADE (3/3)

(€ MILLION)

31 DECEMBER 2023

		PROTECTION AND RESTORATION OF BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM+CCA+WTR+CE+PPC+BIO)			
		OF WHICH ASSETS COVERED BY THE EU TAXONOMY (%) (TAXONOMY-ELIGIBLE)				OF WHICH ASSETS COVERED BY THE EU TAXONOMY (%) (TAXONOMY-ELIGIBLE)			
			OF WHICH LINKED TO ACTIVITIES ALIGNED WITH THE EU TAXONOMY (%) (TAXONOMY-ALIGNED)				OF WHICH LINKED TO ACTIVITIES ALIGNED WITH THE EU TAXONOMY (%) (TAXONOMY-ALIGNED)		
				OF WHICH TRANSITIONAL (%)	OF WHICH ENABLING (%)			OF WHICH TRANSITIONAL (%)	OF WHICH ENABLING (%)
1.	Total assets invested under investment firms' activities dealing on own account (as per Section A of Annex I of Directive 2014/65/EU)	N/a	N/a	N/a	N/a	0%	0%	0%	0%
2.	On which: on own behalf	N/a	N/a	N/a	N/a	0%	0%	0%	0%
3.	On which: on behalf of clients	N/a	N/a	N/a	N/a	0%	0%	0%	0%

SUPPLEMENT C. EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

Banking activities

The table below sets out the KPIs required by the EU for the assets of credit institutions. The KPIs relate to the environmental objective of climate mitigation, in line with Achmea's climate policy. The assets that are eligible for alignment with the EU Taxonomy concern the mortgages related to the financing of residential houses.

The investments included in the table are part of the assets recognised on Achmea's balance sheet and are also included in Tables 1 to 4.

The EU Taxonomy-aligned financed share consists of the mortgages that meet the criterion that there is no material impact due to climate risks over the life of the mortgage. The following sub-risks were taken into account: wildfires, pole rot, subsidence, excessive precipitation and flooding. See the notes to Table 1b for more information.

TABEL 16. GREEN ASSET RATIO (GAR)

							31 DECEMBER 2023
		CLIMATE CHANGE MITIGATION (CCM)					
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				
				OF WHICH USE OF PROCEEDS (%)	OF WHICH TRANSITIONAL (%)	OF WHICH ENABLING (%)	PROPORTION OF TOTAL ASSETS COVERED (%)
1.	GAR - Covered assets in both numerator and denominator	14,564	1,853	100%	100%	100%	95%
3.	Financial corporations	349	-	0%	0%	0%	2%
4.	Credit institutions	337	-	0%	0%	0%	2%
5.	Of which: Loans and advances	306	-	0%	0%	0%	0%
6.	Of which: Debt securities, including UoP	31	-	0%	0%	0%	0%
8.	Other financial corporations	12	-	0%	0%	0%	0%
10.	Of which: Loans and advances	12	-	0%	0%	0%	0%
24.	Households	14,215	1,853	100%	100%	0%	93%
25.	Of which loans collateralised by residential immovable property	14,215	1,853	100%	100%	0%	93%
26.	Of which building renovation loans	-	-	0%	0%	0%	0%

SUPPLEMENT D. CONNECTIVITY TABLE

How we establish our material topics is described in the section In dialogue with stakeholders and material topics. In the table below we show how the material topics are embedded in our vision and strategy. More on this can be found in the sections Our vision and Our strategy. We also show which activities cause the impact from the topic: value chain (Insurance and services and Investments and financing) or Own operations. A material topic can have an impact on several stakeholders. In the table below we indicate those stakeholders that are particularly impacted by the topic. In 2023, we conducted a materiality analysis based on the principles in the CSRD (see also section In dialogue with stakeholders and material topics). We distinguish between two types of materiality here: the impact Achmea has on its environment (in the table below Impact materiality) and the impact the environment has on Achmea (in the table below Financial materiality). For each material topic we state whether the Impact materiality is positive or negative and whether this impact is already being felt (Existing) or could arise in future (Potential). Under Financial materiality we state whether there is a risk (potentially negative impact on Achmea's cashflows) or an opportunity (potentially positive impact on Achmea's cashflows). Finally, we also demonstrate how Achmea manages these material topics and refer to the part of the annual report that contains more information on these. The indicators are tested for effectiveness with regard to measuring the progress of the strategy or impact. Some of the indicators we use to measure progress on material topics are qualitative; indicators for measuring progress quantitatively are still being developed. These will be worked out in more detail over the coming years as part of the implementation of the Corporate Sustainability Reporting Directive (CSRD).

DESCRIPTION OF MATERIAL TOPIC AND IMPACT	LINK TO OUR VISION AND STRATEGY	BUSINESS OPERATIONS	IMPACT ON STAKEHOLDER	IMPACT MATERIALITY	FINANCIAL MATERIALITY	HOW WE MEASURE PROGRESS ON THIS TOPIC	INFORMATION IN ANNUAL REPORT
1. Climate change – mitigation Greenhouse gas emissions, in terms of quantities especially in Achmea's value chain, have an impact on climate change, with negative consequences for the environment and society. Achmea, and companies in Achmea's value chain, are confronted with mounting climate-related financial risks (transition risks and physical risks). Stranded assets are, for example, a risk for Achmea's investment portfolio. Energy consumption in the health insurer value chain is considerable. This relates to e.g. the use of energy/electricity (such as medical equipment) in hospitals, and as a result of the production of medicines, medical equipment and personal protection equipment for employees. In the insurance portfolio, greenhouse gas emissions mainly come from our repair activities.	Sustainable Living. Together Large customer base	All business activities	Customer Society	Existing: Negative	Risk	A variety of indicators, including: • Carbon emissions from motor vehicle insurance portfolio • Carbon emissions from corporate investments and other investments • Energy labels in real estate investments and insurance and banking mortgage portfolio • Dialogue and engagement for investments • Carbon footprint from own operations (in kton)	Results - Other results insurance and services, environmental topics Results - Other results investments and financing, environmental topics Embedding in business operations, In detail: Risk management of climate change (TCFD) Supplement B. Detailed sustainability information (section on carbon emissions connected to our own operations, carbon emissions from our investment portfolio (financed emissions) and carbon emissions from our insurance portfolio (insured emissions))
2. Climate change – adaptation Climate-related physical risks connected to extreme weather conditions have a negative impact on Achmea's value chain. Achmea can play a role in adaptation to these risks, including via its non-life insurance, by inventorying the risks and supporting customers with adaptation solutions. The materiality of this topic is increasing as the nature and scale of the physical risks appears to be growing. Climate-related risks are financial risks for Achmea's customers and investments that can subsequently become financial risks for Achmea itself	Sustainable Living. Together Large customer base Strong partnerships Carefree living & working	Insurance and services (Non-life and Health) Investments and financing	Customer Society	Existing: Negative	Risk Opportunity	We use qualitative objectives to manage the targets at various levels in the organisation. This is reflected in a range of initiatives that were either started or continued during the year. Also: indicators as listed above (especially engagements)	Results - Other results insurance and services, environmental topics Results, domain Carefree living & working Embedding in business operations, In detail: Risk management of climate change (TCFD)

SUPPLEMENT D. CONNECTIVITY TABLE

DESCRIPTION OF MATERIAL TOPIC AND IMPACT	LINK TO OUR VISION AND STRATEGY	BUSINESS OPERATIONS	IMPACT ON STAKEHOLDER	IMPACT MATERIALITY	FINANCIAL MATERIALITY	HOW WE MEASURE PROGRESS ON THIS TOPIC	INFORMATION IN ANNUAL REPORT
3. Pollution In the value chain of our Health business, drug residues from production and consumption end up in surface water and in soil. This could potentially have a negative impact on water and soil quality.	Sustainable Living. Together Strong partnerships Carefree living & working	Insurance and services (Health)	Customer Society	Existing: Negative	N/A	In consultation with other health insurers we are working on policy to restrict the negative impact as much as possible. We are doing this with other parties within the Green Deal on Sustainable Healthcare 3.0	Results - Other results insurance and services, environmental topics
4. Biodiversity and ecosystems Achmea is strongly represented in the agricultural sector via specific insurance products. The agricultural sector is linked to several environmental issues, including nitrogen pollution but also loss of habitat, monoculture and soil degradation. These environmental issues affect biodiversity and ecosystems. Other (insured) sectors have an impact as well. For our investment activities, our goal for all the companies in which we invest is to prevent the degradation of biodiversity in extremely fragile ecosystems and prevent severe forms of soil contamination and irresponsible management of agricultural land no later than in 2030.	Sustainable Living. Together Large customer base Strong partnerships	Insurance and services (Non-Life) Investments and financing	Customer Society	Existing: Negative	N/A	Policy and objectives deriving from it are currently under development. In this respect we monitor international trends in the Taskforce on Nature-related Financial Disclosures (TNFD). Indicators currently used in management: • % of customers in commercial portfolio for whom an engagement strategy has been developed • Dialogue and engagement for investments	Results - Other results insurance and services, environmental topics Results - Other results investments and financing, environmental topics
5. Use of resources and circular economy In the value chain for repairs under non-life insurance, there is a considerable outflow of resources, including as a result of waste production during the repair and replacement process, which contributes negatively to the depletion of resources, waste production and corresponding environmental effects. Sustainable repairs by repairing products with minimum natural resources rather than replacing them can be a financial opportunity as this reduces repair costs and increases restoration value from materials. There is also an impact in the health value chain due to the large amount of waste generated (such as incontinence materials and operating theatre waste). There is a financial opportunity for cutting costs by re-using more materials, which will translate into lower expenses.	Sustainable Living. Together Strong partnerships	Insurance and services (Non-life and Health)	Customer Society	Existing: Negative	Opportunity	Policy and objectives deriving from it are currently (partly) under development. For the Health business we are doing this with other parties within the Green Deal on Sustainable Healthcare 3.0. Indicators currently used in management: • % of repair companies with ISO certification • % of repair companies with BOVAG quality seal or Groen Gedaan quality seal awarded by Stichting Duurzaam	Results - Other results insurance and services, environmental topics
6. Waste The value chain for non-life and health insurance can involve a huge amount of waste. Repair companies can create large amounts of waste when repairing insured items or properties, for example. Broken products can also be replaced with new products, leading to the old products being viewed as waste. Incorrect waste management can have a negative impact on the environment. Furthermore, healthcare waste can contain potentially harmful micro-organisms that can infect hospital patients, health professionals and the general public. Agreements with chain partners enable Achmea to contribute positively to reducing and managing waste.	Sustainable Living. Together Strong partnerships	Insurance and services (Non-life and Health)	Customer Society	Existing: Negative	Opportunity	Policy and objectives deriving from it are currently (partly) under development. For the Health business we are doing this with other parties within the Green Deal on Sustainable Healthcare 3.0	Results - Other results insurance and services, environmental topics

SUPPLEMENT D. CONNECTIVITY TABLE

DESCRIPTION OF MATERIAL TOPIC AND IMPACT	LINK TO OUR VISION AND STRATEGY	BUSINESS OPERATIONS	IMPACT ON STAKEHOLDER	IMPACT MATERIALITY	FINANCIAL MATERIALITY	HOW WE MEASURE PROGRESS ON THIS TOPIC	INFORMATION IN ANNUAL REPORT
7. Privacy of customers' personal data Achmea is responsible for the protection of its customers' personal data and must comply with strict privacy legislation. By implementing strict security measures and complying with privacy principles, Achmea ensures that customer data are treated confidentially and protected against unauthorised access or misuse. Customers can consequently trust Achmea with their personal information and their privacy is guaranteed. Privacy is a risk when in the event of a data leak or privacy violation Achmea incurs considerable costs, such as fines, claims and restoration of its reputation. Furthermore, legal requirements relating to privacy protection can demand extra investments in security and compliance.	Large customer base	Insurance and services (Non-Life, Health, Life, Banking and other services)	Customer	Potential: Negative	Risk	The risks are managed within the primary processes of the business units as part of the operational risks.	Embedding in business operations, Risk management Consolidated financial statements: Note 2. Capital and risk, operational risk
8. Social inclusion - non-discrimination Non-discrimination of its customers is a relevant issue for Achmea precisely because solidarity is an important theme in Achmea's services. Achmea creates an inclusive environment by treating all its customers fairly and equally, irrespective of other personal characteristics.	Sustainable Living. Together Large customer base Expertise in data & digital	Insurance and services (Non-Life, Health, Life and Banking)	Customer Society	Potential: Positive, Negative	N/A	Policy and objectives deriving from it are currently (partly) under development. The risks are managed within the primary processes of the business units as part of the operational risks.	Embedding in business operations, Ethical framework and codes of conduct Consolidated financial statements: Note 2. Capital and risk management, operational risk
9. Social inclusion - access to products and services By offering a range of insurance policies in different price classes, Achmea can improve the availability and affordability of insurance cover for retail customers and businesses, enabling customers to protect themselves against risks and gain access to the required financial protection. In addition, Achmea contributes to social inclusion by ensuring non-discrimination in its product range and by promoting equal access to insurance products and additional (financial) services. Access to products and services offers the opportunity to grow, increase customer satisfaction, promote financial inclusion and gain a competitive advantage.	Sustainable Living. Together Large customer base Expertise in data & digital	Insurance and services (Non-Life, Health, Life and Banking)	Customer Society	Potential: Positive, Negative	Opportunity	Policy and objectives deriving from it are currently (partly) under development. The risks are managed within the primary processes of the business units as part of the operational risks.	Results - Other results insurance and services, social topics
10. Access to information High-quality information enables consumers to make prudent decisions and obtain better insight into the insurance and banking products and services they buy. This contributes to transparency, consumer protection and trust in the financial sector. Facilitating access to high-quality information can also improve the financial health and well-being of individuals and society in general, as people can take more informed financial decisions and select appropriate insurance cover. The availability (or lack of it) of detailed information and (in)correct product labelling can pose risks for Achmea. The provision of ambiguous information to customers can lead to potential legal liabilities, fines and reputational damage for Achmea. The management and safeguarding of information accuracy demands effective processes and systems.	Sustainable Living. Together Large customer base Skilled employees	Insurance and services (Non-Life, Health, Life, Banking and other services)	Customer Society	Potential: Positive, Negative	Risk	Policy and objectives deriving from it are currently (partly) under development. The risks are managed within the primary processes of the business units as part of the operational risks.	Results - Other results insurance and services, social topics Embedding in business operations, Ethical framework and codes of conduct Consolidated financial statements: Note 2. Capital and risk management, operational risk

SUPPLEMENT D. CONNECTIVITY TABLE

DESCRIPTION OF MATERIAL TOPIC AND IMPACT	LINK TO OUR VISION AND STRATEGY	BUSINESS OPERATIONS	IMPACT ON STAKEHOLDER	IMPACT MATERIALITY	FINANCIAL MATERIALITY	HOW WE MEASURE PROGRESS ON THIS TOPIC	INFORMATION IN ANNUAL REPORT
11. **Responsible marketing practices** Ethical and responsible marketing enables Achmea to improve transparency, fairness and consumer protection. Marketing messages must be unambiguous, accurate and not misleading, so that customers can take prudent decisions on insurance products. Responsible marketing practices also help to build trust and maintain long-term relationships with customers. Unethical or controversial marketing activities can harm Achmea's reputation and lead to loss of customers and income. Non-compliance with marketing regulations can have legal repercussions, such as fines and lawsuits. Furthermore, marketing practices that violate social values can lead to public outrage and boycotts that have a negative impact on Achmea's financial performance.	Sustainable Living. Together Large customer base Skilled employees	Insurance and services (Non-Life, Health, Life, Banking and other services)	Customer Society	Potential: Positive, Negative	Risk	Policy and objectives deriving from it are currently (partly) under development. The risks are managed within the primary processes of the business units as part of the operational risks.	Results - Other results insurance and services, social topics Embedding in business operations, Ethical framework and codes of conduct and Risk management Consolidated financial statements: Note 2. Capital and risk management, operational risk
12. **Work-life balance for employees** The balance between work and private life is an important and growing social topic. Achmea seeks to create a sound balance between the work and private lives of its own employees. A sound work-life balance is crucial to the mental and physical well-being of individuals and improves overall satisfaction and productivity in the workplace.	Sustainable Living. Together Skilled employees	Own operations	Employees	Existing: Negative, Positive	N/A	Progress is measured via the annual Employee Engagement Survey and several pulse surveys held throughout the year.	Results - Other results own operations, social topics
13. **Gender equality and equal pay for equal work** Gender equality is an important topic as promoting fairness and reducing discrimination lead to more motivated and satisfied employees.	Sustainable Living. Together Skilled employees	Own operations	Employees	Existing: Negative, Positive	N/A	A variety of indicators, including: • % of women in top management • Gender pay gap ratio	Results - Other results own operations, social topics Supplement B. Detailed sustainability information (table 9)
14. **Knowledge and development of employee skills** Spending money on training and developing skills can increase employee retention, job satisfaction, earning potential and deployability. This enables employees to contribute positively to the company's performance. It is difficult to determine the financial risk, although this is viewed as financially material. A lack of the required skills could ultimately result in employees not performing to the best of their ability, ineffective leadership and flawed decision-making.	Sustainable Living. Together Skilled employees	Own operations	Customer Employees	Existing: Positive		A variety of indicators, including: • % of employees using training budget • Various Employee Engagement Survey scores	Results - Other results own operations, social topics
15. **Measures to combat violence and intimidation at work** Measures can create a safer and more respectful workplace, restrict any social incidents and have a positive impact on the well-being of employees and overall work culture.	Sustainable Living. Together Skilled employees	Own operations	Employees	Existing: Negative, Positive	N/A	A variety of indicators, including: • Various Employee Engagement Survey scores • Number of incidents reported to confidential advisers • Number of incidents reported via whistleblower scheme	Results - Other results own operations, social topics Embedding in business operations, Ethical framework and codes of conduct
16. **Diversity in the workforce** A diverse workforce can introduce a variety of perspectives, skills and experience, which can lead to greater creativity, innovation and problem-solving within the organisation.	Sustainable Living. Together Skilled employees	Own operations	Employees	Existing: Negative	N/A	Policy and objectives deriving from it are currently (partly) under development.	Results - Other results own operations, social topics

SUPPLEMENT D. CONNECTIVITY TABLE

DESCRIPTION OF MATERIAL TOPIC AND IMPACT	LINK TO OUR VISION AND STRATEGY	BUSINESS OPERATIONS	IMPACT ON STAKEHOLDER	IMPACT MATERIALITY	FINANCIAL MATERIALITY	HOW WE MEASURE PROGRESS ON THIS TOPIC	INFORMATION IN ANNUAL REPORT
17. Working conditions for employees in the value chain Health professionals are exposed to aggression and inappropriate conduct, while high exposure to disease is also an inherent part of their job. The workload is high in healthcare as well. In the value chain, Achmea can have a positive impact by promoting and guaranteeing a safe and healthy working environment for health professionals and influencing the working hours of employees through a variety of measures and initiatives. These actions aimed at creating a positive working environment can ultimately improve the overall quality of healthcare. A sustainable society is only possible if there is respect for human rights. Among other things, human rights mean freedom, equality, freedom of expression and democracy. It is for this reason that they are a key theme in our investment policy. They include good labour standards with safe and healthy working conditions and fair and equitable pay. And that employees can unionise and there is no question of force or exploitation.	Sustainable Living. Together Bringing healthcare closer	Insurance and services (Health) Investments and financing	Customer Society	Existing: Negative	N/A	In consultation with other health insurers we are working on policy to restrict the negative impact as much as possible. We are doing this with other parties within Zorgverzekeraars Nederland. With respect to the investment portfolio, Achmea conducts due diligence based on the Principles of the UN Global Compact. If a negative impact is identified, businesses are placed on the exclusion list and may not be included in the portfolio. Child labour is also tested via the UN Global Compact; we likewise exclude any businesses involved in this.	Results - Other results own operations, social topics Results - Other results investments and financing, social topics
18. Data and cybersecurity Data and cybersecurity are crucial to Achmea due to the sensitive nature of the data it processes, such as the financial information of customers. Achmea protects the privacy of its customers, prevents fraudulent claims and reduces the risk of financial fraud and identity theft. A cyberattack poses a financial risk, for example, but can also cause considerable reputational damage. Significant financial damage can also occur because of the risk to business continuity.	Sustainable Living. Together Expertise in data & digital	All business activities	Customer Society	Potential: Negative	Risk	The risks are managed within the primary processes of the business units as part of the operational risks. A variety of indicators are monitored at local level.	Results - Other results own operations, social topics Results - Other results investments and financing, social topics
19. Corporate culture Partly based on the cooperative mindset, the corporate culture affects customer focus, innovation, the commitment of employees, ethics and the ability to adapt. A strong culture focused on customer satisfaction promotes pro-active and excellent customer service, boosting loyalty and reputation. A culture that encourages innovation and creativity stimulates the development of innovative insurance products and process improvements. A positive corporate culture enhances the commitment, productivity and collaboration of employees and creates a positive working environment.	Sustainable Living. Together Skilled employees Expertise in data & digital	Own operations	Customer Employees Society	Existing: Negative, Positive	N/A	A variety of frameworks/indicators, including: • Various Employee Engagement Survey scores • Number of incidents reported to confidential advisers and via whistleblower scheme	Embedding in business operations, Ethical framework and codes of conduct and Risk management
20. Prevention and detection of corruption and bribery, including in relation to education The prevention and detection of corruption and bribery are important social issues. Supervisory authorities focus on this topic and society views the impact of Achmea as a financial institution as crucial. By implementing robust anti-corruption measures and offering training programmes, Achmea contributes to preserving integrity, transparency and ethical business practices. The risk of corruption and bribery is a major concern for Achmea because not implementing effective measures can have harmful repercussions. It poses a threat to the organisation's reputation, impairs trust among customers and stakeholders and can lead to non-compliance with laws and regulations. Achmea can restrict these risks through the adequate prevention and detection of corruption.	Sustainable Living. Together Skilled employees Expertise in data & digital	All business activities	Customer Employees Society	Existing: Negative	Risk	The risks are managed within the primary processes of the business units as part of the operational risks. A variety of indicators are monitored at local level.	Consolidated financial statements: Note 2. Capital and risk management, operational risk Embedding in business operations, Ethical framework and codes of conduct

SUPPLEMENT E: GRI INDEX

The Global Reporting Initiative (GRI) reporting framework comprises widely-accepted reporting standards for the economic, environmental and social performance of an organisation. This framework can be found on the GRI website (www.globalreporting.org). Achmea's Executive Board Report is compiled using this GRI 2021 framework, with reference to standards 1, 2 and 3. The table below lists the GRI principles and references to where the information can be found. The aim is to create transparency on how we comply with the relevant GRI principle.

INDICATOR	DESCRIPTION	DETAILS/REFERENCE/EXPLANATION
GRI 2: GENERAL DISCLOSURES 2021		
GRI 2-01	Information about the organisation	Contents Governance: Corporate Governance (Introduction) Consolidated financial statements, Note 3. Segment reporting (geographical segment reporting, including intergroup adjustments) Colophon and contact information
GRI 2-02	Entities included in the organisation's sustainability reporting	Consolidated financial statements: Note 1. Accounting policies (G. Consolidation framework), Note 31. Interests in subsidiaries Supplement A. Reporting principles (Definition and scope of reporting) Supplement B. Detailed sustainability information
GRI 2-03	Reporting period for information provided, reporting cycle, contact point for questions regarding the report or its contents	Other information: Statement of the Executive Board of Achmea B.V. Supplement A. Reporting principles Colophon and contact information
GRI 2-04	The effect of any restatements of information provided in previous reports, and the reasons for such restatements	Consolidated financial statements: Note 1. Accounting policies (E. Amendments related to accounting policies, prior period corrections and changes in presentation), Note 34. Notes on the transition to IFRS 9/17 Supplement A. Reporting principles (Modifications to this report) Supplement B. Detailed sustainability information
GRI 2-05	Policy with regard to assurance	Supplement A. Reporting principles (Auditor's scope and level of assurance)
GRI 2-06	Activities, value chain and other business relationships	Executive Board Report: Achmea at a glance; In dialogue with our stakeholders and material topics; Our value creation model Consolidated financial statements, Note 3. Segment reporting (Description of segments)
GRI 2-07	Information on employees	Supplement B. Detailed sustainability information (Employee information)
GRI 2-08	Information on workers not employed by Achmea	Supplement B. Detailed sustainability information (Employee information: external employees are those hired by Achmea, often to support the activities of internal employees). This information is not available in full and is restricted to those employees hired by Achmea. The term 'worker' encompasses a broad definition under the GRI. This makes it impossible for Achmea as an organisation with an extensive network of brokers and sub-contractors that fall within this definition to include this information without unnecessary expense or effort. All the more so as future EU regulations (CSRD/ESRS) define the employees for which detailed information needs to be disclosed in line with the way Achmea currently reports on this.
GRI 2-09	The governance structure and composition of the organisation	Governance: Governance; Biographies Executive and Supervisory Board members
GRI 2-10	Appointment and selection of the highest governing body	Governance: Supervisory Board Report (Selection & Appointments Committee report); Corporate Governance (Executive Board, Composition and diversity & Supervisory Board, Composition and diversity and Supervisory Board committees)
GRI 2-11	Chair of the highest governing body	Governance: Corporate Governance
GRI 2-12	Role of the highest governing body in supervising management of the organisation's impact	Executive Board Report: In dialogue with stakeholders and material topics; Results (Other results own operations - Governance topics) Governance: Corporate Governance (Executive Board, Responsibilities and role in corporate governance)

SUPPLEMENT E: GRI INDEX

INDICATOR	DESCRIPTION	DETAILS/REFERENCE/EXPLANATION
GRI 2-13	Delegation of responsibilities for management of the organisation's impact	Executive Board Report: Results (Other results own operations - Governance topics) Governance: Corporate Governance (Executive Board, Responsibilities and role in corporate governance)
GR 2-14	Role of the highest governing body in sustainability reporting	Executive Board Report: In dialogue with stakeholders and material topics Other information, Statement of the Executive Board of Achmea B.V. Supplement A. Reporting principles
GRI 2-15	Conflicts of interest	Executive Board Report: Embedding in business operations (Ethical framework and codes of conduct) Governance: Supervisory Board Report (Conflicts of interest); Corporate Governance (Achmea's Code of Conduct) Consolidated financial statements: Note 2. Capital and risk management (Compliance risk and Operational risk); Note 1. Accounting policies, Note 32. Related party transactions Sustainability – Achmea (Risk framework for the management of integrity)
GRI 2-16	Communication of critical areas for concern	Governance: Corporate Governance (Achmea Code of Conduct) Sustainability Achmea – Achmea (Achmea General Code of Conduct, Whistleblower scheme)
GRI 2-17	Collective knowledge of the highest governing body	Governance: Supervisory Board Report (Continuing education); Corporate governance (Executive Board, Continuing education & Supervisory Board, Continuing education); Biographies Executive and Supervisory Board members
GRI 2-18	Evaluation of the functioning of the highest governing body	Governance: Supervisory Board Report (Remuneration Committee report)
GRI 2-19	Remuneration Policy	Governance: Supervisory Board Report (The role of employer and remuneration) Consolidated financial statements, Note 32. Related party transactions (Remuneration of Executive Board members) Publications - Achmea (Remuneration Report) Sustainability - Achmea (Remuneration policy (art. 5 SFDR statement))
GRI 2-20	Process for determining remuneration	Governance: Supervisory Board Report (Remuneration Committee report) Publications - Achmea (Remuneration Report)
GRI 2-21	Annual total remuneration ratio	Executive Board Report: Supplement B. Detailed sustainability information (Employee information, table 8) Governance: Supervisory Board Report (Remuneration Committee report) Publications - Achmea (Remuneration Report) The ratios are calculated based on the average annual remuneration of employees rather than the median. This is in line with the Dutch Corporate Governance Code that Achmea voluntarily applies. From 2024, in line with the GRI, calculation based on the median will be required under EU regulations (CSRD/ESRS). In the note to table 8. of Supplement B. (Employee information), the CEO pay ratio is also calculated on the basis of the median salary of all Achmea employees in the Netherlands, excluding third-party companies and international subsidiaries.
GRI 2-22	Statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and its strategy for addressing sustainability	Executive Board Report: A word from our Chair, Our vision, Our strategy
GRI 2-23	Policy commitments	Executive Board Report: Results (Other results insurance and services, Investments and financing), Embedding in business operations (Ethical framework and codes of conduct) Governance: Corporate Governance (Corporate governance codes) Consolidated financial statements, Note 2. Capital and risk management section (Compliance risk) Supplement F. PSI table Supplement H. Glossary Sustainability - Achmea (Climate Transition Plan, Achmea General Code of Conduct, Ethical Manifesto, Procurement and Outsourcing Code of Conduct, Environmental Policy for Internal Business Operations, Human Rights and Labour Standards statement) SRI guidelines - Achmea (SRI guidelines)

SUPPLEMENT E: GRI INDEX

INDICATOR	BESCHRIJVING	VERWIJZING/INVULLING/TOELICHTING
GRI 2-24	Embedding of policy commitments	Executive Board Report: Results section Supplement E. GRI index Supplement F. PSI table SRI guidelines - Achmea (SRI guidelines)
GRI 2-25	Description of the processes that could potentially remedy the negative impact on the organisation	Sustainability - Achmea (Achmea General Code of Conduct and Ethical Manifesto) Websites of our brands (Customer service, including complaint system) SRI guidelines - Achmea (Our approach) Achmea Climate Transition Plan
GRI 2-26	The internal and external mechanisms for reporting concerns about unethical or unlawful behaviour	Executive Board Report: Embedding in business operations (Ethical framework and codes of conduct) Sustainability - Achmea (Whistleblower scheme and Undesirable behaviour complaint system)
GRI 2-27	Compliance with laws and legislation	Executive Board Report: Risk management Consolidated financial statements, Note 2. Capital and risk management section (Compliance risk)
GRI 2-28	Memberships of associations (such as industry associations) and national or international advocacy organisations	Supplement H. Glossary Memberships | Achmea SRI guidelines - Achmea (SRI guidelines)
GRI 2-29	Approach to stakeholder engagement	Executive Board Report: In dialogue with stakeholders and material topics
GRI 2-30	Percentage of total employees covered by collective bargaining agreements	Supplement B. Detailed sustainability information (Employee information, table 7)
GRI 3: MATERIAL TOPICS 2021		
GRI 3-01	Process for defining the report content, the boundaries, and the principles for defining report content	Executive Board Report: In dialogue with stakeholders and material topics
GRI 3-02	Material topics identified in the process for defining report content	Executive Board Report: In dialogue with stakeholders and material topics
GRI 3-03	Management approach to material topics	Executive Board Report: In dialogue with stakeholders and material topics, Abridged connectivity table Supplement D. Connectivity table Some material topics have been worked out in more detail in terms of strategy, policy, action plans and KPIs than is the case for the other topics. We will work on expanding this in coming years under implementation of the CSRD. Although we have not met the level of detail required by the GRI, we nevertheless believe this report gives an accurate impression of our approach to this material topic.

SUPPLEMENT F: PSI TABLE

Achmea signed the Principles for Sustainable Insurance (PSI) in 2012. The reference table below is designed to allow Achmea to account for the implementation of these principles in a transparent fashion. For further information about the PSI, see www.unepfi.org/psi.

PRINCIPLE 1: ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES (ESG) RELEVANT TO OUR INSURANCE BUSINESS ARE EMBEDDED IN OUR DECISION-MAKING

POSSIBLE ACTIONS: COMPANY STRATEGY	FULFILMENT/REFERENCE
Establish a company strategy at the Board and executive management levels to identify, assess, manage and monitor ESG issues in business operations	Executive Board Report: About Achmea (Our vision), Strategy and objectives (Our strategy, Our value creation model)
Dialogue with company owners on the relevance of ESG issues to company strategy	Executive Board Report: About Achmea (Our vision), Our environment (In dialogue with stakeholders and material topics)
Integrate ESG issues into recruitment, training and employee engagement programmes	Executive Board Report: Results (Other results own operations (social topics))
POSSIBLE ACTIONS: RISK MANAGEMENT AND UNDERWRITING	FULFILMENT/REFERENCE
Establish processes to identify and assess ESG issues inherent in the portfolio and be aware of potential ESG-related consequences of the company's transactions	Executive Board Report: Our environment (In dialogue with stakeholders and material topics), Results (Main strategic results and developments domains, Other results (Insurance and services, Investments and financing and Own operations)), Embedding in business operations (In detail: Risk management of climate change (TCFD))
Integrate ESG issues into risk management, underwriting and capital adequacy decision-making processes, including research, models, analytics, tools and metrics	Executive Board Report: Embedding in business operations (In detail: Risk management of climate change (TCFD)) Consolidated financial statements: Capital and risk management
POSSIBLE ACTIONS: PRODUCT AND SERVICE DEVELOPMENT	FULFILMENT/REFERENCE
Develop products and services which reduce risk, have a positive impact on ESG issues and encourage better risk management	Executive Board Report: Results (Main strategic results and developments domains, Other results insurance and services)
Develop or support literacy programmes on risk, insurance and ESG issues	Executive Board Report: Results (Other results insurance and services (social themes)) Cooperative identity - Achmea (Stichting Lezen & Schrijven)
POSSIBLE ACTIONS: CLAIMS MANAGEMENT	FULFILMENT/REFERENCE
Respond to clients quickly, fairly, sensitively and transparently at all times and make sure claims processes are clearly explained and understood	Executive Board Report: Results (Other results insurance and services (social topics))
POSSIBLE ACTIONS: SALES AND MARKETING	FULFILMENT/REFERENCE
Educate sales and marketing staff on ESG issues relevant to products and services and integrate key messages responsibly into strategies and campaigns	https://www.achmea.nl/waar-we-voor-staan/duurzaamheid
Make sure coverage, benefits and costs of products and services are relevant and clearly explained and understood	Executive Board Report: Results (Other results insurance and services (social topics))
POSSIBLE ACTIONS: INVESTMENT MANAGEMENT	FULFILMENT/REFERENCE
Integrate ESG issues into investment decision-making (e.g. by implementing the Principles for Responsible Investment)	Executive Board Report: Results (Other results investments and financing))

PRINCIPLE 2: WE WILL WORK TOGETHER WITH OUR CLIENTS AND BUSINESS PARTNERS TO RAISE AWARENESS OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES, MANAGE RISK AND DEVELOP SOLUTIONS

POSSIBLE ACTIONS: CLIENTS AND SUPPLIERS	FULFILMENT/REFERENCE
Dialogue with clients and suppliers on the benefits of managing ESG issues and the company's expectations and requirements on ESG issues	Executive Board Report: Our environment (In dialogue with stakeholders and material topics), Strategy and objectives (Our strategy), Embedding in business operations (In detail: Risk management of climate change (TCFD))
Provide clients and suppliers with information and tools that may help them manage ESG issues	Executive Board Report: Results (Other results insurance and services)
Integrate ESG issues into tender and selection processes for suppliers	Executive Board Report: Results (Other results own operations (environmental topics)), Embedding in business operations (In detail: Risk management of climate change (TCFD))
POSSIBLE ACTIONS: INSURERS, REINSURERS AND BROKERS	FULFILMENT/REFERENCE
Promote adoption of the principles	Executive Board Report: Embedding in business operations (Ethical framework and codes of conduct) Governance: Corporate Governance
Support the inclusion of ESG issues in professional education and ethical standards in the insurance industry	Executive Board Report: Results (Main strategic results and developments domains, Other results insurance and services (social topics))

SUPPLEMENT F: PSI TABLE

PRINCIPLE 3: WE WILL WORK TOGETHER WITH GOVERNMENTS, REGULATORS AND OTHER KEY STAKEHOLDERS TO PROMOTE WIDESPREAD ACTION ACROSS SOCIETY ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES

POSSIBLE ACTIONS: GOVERNMENTS, REGULATORS AND OTHER POLICYMAKERS	FULFILMENT/REFERENCE
Support prudential policy, regulatory and legal frameworks that enable risk reduction, innovation and better management of ESG issues	Executive Board Report: Embedding in business operations (In detail: Risk management of climate change (TCFD)) Consolidated financial statements: Capital and risk management
Dialogue with governments and regulators to develop integrated risk management approaches and risk transfer solutions	Executive Board Report: Our environment (In dialogue with stakeholders and material topics)
POSSIBLE ACTIONS: OTHER KEY STAKEHOLDERS	FULFILMENT/REFERENCE
Dialogue with intergovernmental and non-governmental organisations to support sustainable development by providing risk management and risk transfer expertise	Executive Board Report: Our environment (In dialogue with stakeholders and material topics)
Dialogue with academia and the scientific community to foster research and educational programmes on ESG issues in the context of the insurance business	Executive Board Report: Our environment (In dialogue with stakeholders and material topics), Embedding in business operations (In detail: Risk management of climate change (TCFD))
Dialogue with media to promote public awareness of ESG issues and good risk management	Executive Board Report: Our environment (In dialogue with stakeholders and material topics)

PRINCIPLE 4: WE WILL DEMONSTRATE ACCOUNTABILITY AND TRANSPARENCY IN REGULARLY DISCLOSING PUBLICLY OUR PROGRESS IN IMPLEMENTING THE PRINCIPLES

POSSIBLE ACTIONS:	FULFILMENT/REFERENCE
Assess, measure and monitor the company's progress in managing ESG issues and proactively and regularly disclose this information publicly	Through annual reporting, SRI Half Year report www.achmea.nl
Participate in relevant disclosure or reporting frameworks	Executive Board Report: Supplement A. Reporting principles, Supplement B. Detailed sustainability information Governance: Corporate Governance
Dialogue with clients, regulators, rating agencies and other stakeholders to gain mutual understanding on the value of disclosure through the Principles	Executive Board Report: Our environment (In dialogue with stakeholders and material topics)

SUPPLEMENT F: PSI TABLE

From the 2020 financial year we have reported on climate change in line with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). This supplement shows the parts of the annual report that include the TCFD recommendations.

DISCLOSURES RECOMMENDED BY TCFD

GOVERNANCE	FULFILMENT/REFERENCE
a) Describe the board's oversight of climate-related risks and opportunities	Executive Board Report - Results, Other results own operations, Governance topics
b) Describe management's role in assessing and managing climate-related risks and opportunities	Executive Board Report - Results, Other results own operations, Governance topics
STRATEGY	FULFILMENT/REFERENCE
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Executive Board Report - Embedding in business operations, In detail: Risk management of climate change (TCFD)
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	Executive Board Report - Embedding in business operations, In detail: Risk management of climate change (TCFD)
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Executive Board Report - Embedding in business operations, In detail: Risk management of climate change (TCFD)
RISK MANAGEMENT	FULFILMENT/REFERENCE
a) Describe the organisation's processes for identifying and assessing climate-related risks	Executive Board Report - Embedding in business operations, In detail: Risk management of climate change (TCFD)
b) Describe the organisation's processes for managing climate-related risks	Executive Board Report - Embedding in business operations, In detail: Risk management of climate change (TCFD)
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Executive Board Report - Embedding in business operations, In detail: Risk management of climate change (TCFD)
METRICS AND TARGETS	FULFILMENT/REFERENCE
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Executive Board Report - Strategy and objectives, Objectives Executive Board Report - Embedding in business operations, In detail: Risk management of climate change (TCFD)
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	Executive Board Report - Other results Supplement B
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Executive Board Report - Strategy and objectives, Objectives

SUPPLEMENT H. GLOSSARY

Asset-backed securities
Financial instruments financed with cash flow generated by an asset portfolio, with the assets having been provided as business security.

Assets from reinsurance contracts to cover future claims
The reinsurer's share of the fulfilment cash flows related to services to be received in future periods and any CSM at that date.

Assets from reinsurance contracts from coverage of future claims
The reinsurer's share of the fulfilment cash flows of claims incurred.

Assets under Management (AuM)
The market value of assets under management (including assets managed on behalf of third parties).

Average energy label mortgages
The average energy label of our mortgage portfolio (bank and insurer combined) is determined as the weighted average of the average energy label for mortgages within the investments of the insurance business and the mortgages within banking credit portfolio The average energy label is calculated by multiplying the standard energy consumption of an energy label by the number of properties with this energy label in the portfolio divided by the total number of properties in the portfolio.

Basic health insurance
Compulsory health insurance, mandatory for all residents of the Netherlands. This represents the cover provided by the basic health insurance, consisting of a standard package of healthcare services considered essential by the Dutch government.

Carbon footprint
Absolute carbon emissions expressed per unit of invested capital.

CEO pay-ratio
The ratio between the remuneration of the chairman of the Executive Board and the remuneration of the other employees of a company. The remuneration of the employees is calculated as the average remuneration of the other employees (Dutch Corporate Governance Code). As an alternative calculation, the median remuneration of the other employees is used as the remuneration of the other employees (GRI, CSRD).

Circular economy
The shift from ownership to usage (e.g. leasing arrangements), as well as the re-use of products (products as raw materials) as a solution to scarcity of raw materials.

Claims ratio
The claims ratio is claims, including claims handling expenses, expressed as a percentage of insurance revenue.

Climate neutral or climate neutrality
Climate neutral means that specific activities do not exacerbate the greenhouse gas effect, in other words that the activities do not contribute to the amount of CO_2 and other greenhouse gases in the atmosphere. This can be achieved by sharply reducing greenhouse gas emissions and by extracting these gases from the atmosphere, e.g. by planting trees. Climate-neutral, net zero or CO_2-neutral are terms that are often used as synonyms.

Climate Act
The Climate Act states that the Netherlands must reduce greenhouse gas emissions by 49% in 2030 and by 95% in 2050 versus 1990. This has been laid down in law. The Climate Act does not stipulate how these targets need to be met. The specific measures were agreed in the Dutch National Climate Agreement with those social partners that participated in consultations. Here, greenhouse gases other than CO_2 are converted into CO_2 equivalents.

CO_2
Carbon dioxide, or CO_2, is a gas that is naturally present in the atmosphere. However, human activity has resulted in the amount of CO_2 in the atmosphere increasing sharply in the last 150 years. This is mainly from burning fossil fuels, such as coal, oil and gas. CO_2 is the principal greenhouse gas.

CO_2 or carbon emissions (absolute)
This is the amount of greenhouse gases relating to all the activities of a person or entity (e.g. a building, business, country). It includes direct and indirect emissions expressed in scope 1, 2 and 3 emissions. The carbon footprint often also comprises the emissions of other greenhouse gases, such as methane, nitrous oxide or chlorofluorocarbons (CFCs). To be able to add up the impact of the individual greenhouse gases, emissions data are converted into CO_2 equivalents.
- Scope 1: direct emissions from the organisation's own sources. These are emissions from the organisation's own buildings, transport and production-related activities;
- Scope 2: indirect emissions from the generation of purchased and consumed electricity or heat;
- Scope 3: indirect emissions from another organisation's business operations. These are emissions from sources that are not owned by the organisation itself and over which we are unable to exert direct influence. Scope 3 also includes the financed emissions from our investment, mortgage and property portfolios and the insured emissions from our insurance portfolio.

CO_2 equivalents
There are other greenhouse gases besides CO_2. To be able to add up the impact of the individual greenhouse gases, these

SUPPLEMENT H. GLOSSARY

gases are normally converted into carbon dioxide equivalents (CO_2e). The greenhouse gases included under international treaties are methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF6) and nitrogen fluoride (NF3).

CO_2 intensity
Emissions per specific unit, for example: tCO_2/€m invested capital, tCO_2/MWh, CO_2/tonnes per m^2, tCOxe/€m revenue. Here we talk of tCO_2/€m invested capital over the carbon footprint.

Collateral
An asset pledged by a borrower to secure a loan and subject to seizure in the case of default.

Combined ratio
The combined ratio is a measure of profitability used by insurance companies to indicate how well they are performing in their day-to-day operations. A ratio below 100% indicates that the company is making underwriting profit while a ratio above 100% means it is incurring higher expenses and paying out more money in claims than it is receiving from premiums. A ratio of over 100% does not necessarily mean that an insurer is making a loss on the contract, however, given that an insurer can still generate investment income. The combined ratio is the sum of the claims ratio and the expense ratio.

Compliance
The Compliance department ensures that laws and regulations are adhered to within an organisation. The purpose of compliance is to manage compliance risk and reduce any loss arising from such risk.

Contractual Service Margin (CSM)
A component of the carrying amount of the asset or liability for a group of insurance contracts representing the unearned profit the entity will recognise as it provides insurance contract services under the insurance contracts.

Corporate Governance
Corporate Governance refers to the way in which companies are governed, and involves maintaining a system of checks and balances within corporations. It refers to a combination of governing, managing, supervising and accounting for the company's policies to a number of different stakeholders, including customers, employees and shareholders and other capital providers.

Corporate Social Responsibility (CSR)
By engaging in Corporate Social Responsibility (also known as 'sustainable business'), we demonstrate that we are responsible for the quality of life in society and the communities in which we operate. This means being a responsible member of the community through charitable actions, which may include encouraging and facilitating volunteer work by employees.

Covered bonds
Debt instruments secured by a cover pool of mortgage loans, which provide bond holders with additional security.

Counterparty default risk
The risk to each party of a contract that the counterparty will not live up to its contractual obligations. Achmea is exposed to many counterparties in the areas of investment, treasury, banking, reinsurance, healthcare providers, brokers and policyholders.

Credit default swap (CDS) spread
A CDS is a contract between two parties that involves the transfer of third-party credit risk. It can be used as insurance for a bond investment portfolio, whereby, if the bond issuer defaults on repayment of the loan amount, the credit default swap compensates for this loss. The spread of a CDS is an indication of the risk associated with the swap, i.e. the difference between the expected yield of the CDS and the yield of the bond.

Credit risk
The risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

CSRD
The Corporate Sustainability Reporting Directive (CSRD) is an EU reporting regulation that requires businesses to report on sustainability. This involves aspects such as carbon emissions and employee diversity, but also the impact a company has on biodiversity and human rights violations in the chain. The regulation replaces the existing EU regulation on sustainability reporting: the Non-Financial Reporting Directive (NFRD).

Customer Centricity score
Each year, the Netherlands Authority for the Financial Markets (AFM) measures the extent to which banks and insurers place customers' interests first via its Customer Centricity Dashboard. The AFM awards the results of its survey a score on a scale of 1 to 5. The AFM's regular survey of specific topics enables it to establish how a company is evolving.

Customer Satisfaction Score
The customer satisfaction score is an indicator that indicates the degree of customer satisfaction in a company. This indicator is measured using a customer satisfaction survey. A customer satisfaction survey includes assessments of various aspects of the service. As part of this survey, customers are asked to score the Overall Service on a scale ranging from

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1=very dissatisfied to 10=very satisfied. The average score of all customers is the customer satisfaction score.

Debt leverage ratio
This is the ratio that expresses non-banking debt and perpetual subordinated bonds as a percentage of the sum of total equity, non-banking debt, perpetual subordinated debentures, CSM and risk adjustment minus goodwill.

Defined benefit pension plan (DB)
A type of pension plan in which an employer commits to paying a specified monthly benefit to its employees on retirement. The amount to be paid for the pension entitlement is set using a formula that is usually based on the employee's income and length of service.

Defined contribution pension plan (DC)
A type of pension plan under which an entity (a company) pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to meet its obligations to its current and future beneficiaries.

Derivatives
Financial instruments whose price depends on, or is based on, one or more underlying assets. Their value is determined by fluctuations in the underlying asset.

Double leverage ratio
The double leverage ratio is calculated as follows: the ratio between total equity of subsidiaries, including related goodwill and other intangible fixed assets and the total equity of the group (share capital, hybrid capital, subordinated debt and preference shares).

Double materiality
A term used in sustainability reporting, comprising two dimensions: impact materiality and financial materiality. Impact materiality and financial materiality are connected. A sustainability theme is material from an impact perspective when the company has a material actual or potential impact - positive or negative - on people and/or the environment over the short, medium and long term. A sustainability theme is material from a financial perspective when it has or can have material financial consequences for the company.

Dutch Association of Insurers (Verbond van Verzekeraars)
The Association of Insurers is an interest group comprised of private insurance companies operating in the Dutch market. The Association, whose members collectively represent most of the domestic insurance market, is an independent entity governed and funded by its members.

Dutch National Climate Agreement
The Dutch National Climate Agreement is a package of measures and agreements between companies, social organisations and authorities to work together to approximately halve greenhouse gas emissions in the Netherlands as of 2030 (versus 1990).

Employee Engagement Survey (MBO)
The MBO is an annual online survey that is conducted by an external party. All employees with a contract for a definite or indefinite period who are employed on 1 September will receive an invitation to participate. The MBO consists of a questionnaire by which an employee can provide feedback on various subjects. The questions concern, for example, employee involvement and enthusiasm as well as underlying HR themes such as leadership, employability and talent development. The content of the research is determined by Achmea itself. In principle the questionnaire is revised every year, but a large part of the questions remains unchanged. This allows Achmea to measure whether progress is being made on the various themes. An NPS indicator for employee satisfaction is also determined.

Engagement
The term engagement is mostly used in the context of Socially-Responsible Investment (SRI). It constitutes an active dialogue between investors and companies on the environment, society and corporate governance with the goal of achieving a positive change in behaviour. The term can also be used in a customer-supplier relationship or in the financial service provider relationship between e.g. the insurer and customer. Here it likewise refers to an active dialogue that aims to achieve a positive change in behaviour with respect to the environment or society.

Energy label
A home's energy label tells us how energy-efficient it is *and* what you can do to make it even more so. Possession of an energy label is mandatory on selling, leasing or completing construction of a residential property. Energy labels are registered at EP online (Netherlands Enterprise Agency). This is the official nationwide database on which energy advisors can register energy performance indicators and energy labels. Homeowners need to register their labels themselves.

Enterprise Value Including Cash (EVIC)
As the name suggests, Enterprise Value (EV) is the value of a company. It is an alternative valuation method that gives the market value of a company. EVIC is the sum of:
- the market capitalisation: this is equal to the company's current equity price multiplied by the number of outstanding shares;
- total debt: this is the sum of all the company's short-term and long-term liabilities;
- cash and cash equivalents: this is cash, foreign currencies and cash equivalents (bank accounts, short-term bonds etc.) and is equal to the company's liquid assets but potentially excluding tradeable securities.

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ESG
The Environmental, Social and Governance aspects of an organisation that must be taken into account in order to conduct specific processes, including the investment of premium funds, in a socially-responsible manner.

Exclusion (relating to responsible investment)
Exclusion refers to the practice of refraining from investing in specific companies, such as those engaged in the manufacture of products regarded as controversial by the Dutch government, e.g. producers of cluster bombs, land mines, and biological and chemical weapons.

Execution only
Execution-only services refer to services whereby customers select their own insurance products, including all product options, without seeking actual advice from the insurer.

Expected credit losses (ECL)
The weighted average of expected credit losses using the respective probabilities of default as weighting factors.

Expense ratio
The expense ratio is operating expenses, including internal costs of handling claims, less internal investment expenses and less restructuring provision expenses, expressed as a percentage of Insurance revenue.

Fair value through other comprehensive income (FVOCI)
Measurement in the balance sheet at fair value through other comprehensive income.

Fair value through profit and loss (FVPL)
Measurement in the balance sheet at fair value with changes in fair value recognised in the statement of profit and loss.

Fair value approach for transition (FVA)
One of the permitted alternative methods for the transition to IFRS 17 (compared to the Full retrospective approach).

Financed emissions
Financed emissions are the greenhouse emissions that banks and investors finance via their loans and investments. An attribution factor is used to define the portion of the emissions that can be attributed to the bank or investor. The methods for this are described in the Partnership for Carbon Accounting Financials (PCAF) standard.

Fixed Charge Coverage Ratio (FCCR)
The FCCR is a measure of how well a company is able to cover its fixed costs, such as repayments and interest expenses. FCCR is calculated by adding fixed costs (the interest expense on senior debt and depreciation) and impairments (the EBITDA) to the pre-tax result and dividing it by the interest expense on senior debt and fees on other equity instruments (hybrids). The FCCR is based on the results and financing charges of the last four quarters.

Free Capital Generation (FCG)
The change in equity that is freely available, for example for dividend payments or investments. This is the increase in capital above the required capital under Solvency II or the required capital according to the own requirement.

FTE (Fulltime-equivalent)
FTE is a unit of account for the size of an employment contract or workforce. One FTE corresponds to the entire working week of one employee. In the case of Achmea, this is 34 hours.

Fulfilment cash flows
The fulfilment cash flows represent the settlement of the obligations from the insurance contract with the policyholder. The expected value of the insurance liabilities is determined as an explicit, unbiased and probability-weighted estimate of the present value of the future cash flows that will arise as the entity fulfils its insurance contracts, increased with a risk adjustment for non-financial risk.

Full retrospective approach (FRA)
Transition method when an IFRS standard is first applied, where prior periods are recalculated as if the standard had always been applied.

Gender pay gap ratio
A ratio that shows the difference between the average hourly earnings of male and female employees, expressed as a percentage of male hourly earnings. The gender pay gap ratio is calculated for the company as a whole and also at a more detailed level, for example, for different salary scales.

General model under IFRS 17 (GMM)
Default measurement model used within IFRS 17 for measuring (re)insurance contracts. Other measurement models are the PAA and VFA.

Green Finance Framework (GFF)
Achmea has set up a Green Finance Framework (GFF) for green funding (more information can be found here). Achmea intends to allocate the proceeds from the funding instruments issued under the framework to sustainable mortgages and/or investments related to new and existing energy-efficient homes in the Netherlands and energy-efficient commercial properties in and outside the Netherlands. The GFF is based on the Green Bond Principles (ICMA, 2021) and Green Loan Principles (LMA/APLMA, 2021). and has been externally rated by ISS ESG. A Second Party Opinion is available for this. The methodology has also been assessed by CFP Green Buildings.

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Global Reporting Initiative (GRI)
International organisation that sets guidelines for sustainability reporting.

Goodwill
The amount of future economic benefits arising from assets that are not capable of being individually identified and separately recognised as an asset in a business combination.

GPF: General Pension Fund
GPFs are new players in the second pillar of the pension market and are not restricted to a specific area. This allows GPFs to combine and administer the pension schemes of different employers or pension funds. This may result in economies of scale and cost benefits, while still maintaining control over the pension scheme.

Gross operating expenses
All costs associated with sales and operational activities (excluding commission) consisting of personnel expenses, depreciation costs for property for own use and equipment and general expenses, including IT expenses and marketing expenses.

Gross written premiums (GWP)
Total written premiums in a given period. For Property & Casualty insurance (with the exception of disability insurance contracts) and Health insurance, these relate to insurance contracts with starting dates during the reporting period and comprise the contractual premiums throughout the entire contract period. The contract period is the period during which Achmea is unable to (entirely) adjust the premiums or the insurance coverage for the changed risk profile of policyholders. The gross written premiums for Health insurance also include the contribution from the Health Insurance Equalisation Fund. For the other insurance contracts, the amount of Gross written premiums is equal to the premiums owed or earned during the contract period.

Impairment
The amount by which the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. The asset's carrying amount is reduced to its fair value and recognised in profit and loss.

Insurance contract
A contract under which one party (the insurer) accepts an insurance risk from another party (the policyholder) by agreeing that the policyholder will receive compensation if a specific future event (i.e. the insured event) adversely affects the policyholder.

Insurers' Code
This code of conduct is based on three core values of the insurance sector: 'providing security', 'making it possible' and 'social responsibility'. The code serves as a basis for the activities of the Dutch Association of Insurers (Verbond van Verzekeraars) and its individual members. It combines existing and new self-regulation of the sector with general provisions.

Insured emissions (insurance-associated emissions)
These are greenhouse gas emissions that can be associated with (re)insurance policies. An attribution factor is used to define the portion of the emissions that can be attributed to the insurer. The methods for this are described in the Partnership for Carbon Accounting Financials (PCAF) standard for insurance-associated emissions.

Intangible asset
An identifiable, non-monetary asset without physical substance.

Integrity (corporate ethics)
Integrity or corporate ethics refers to acting in a conscientious manner and in line with the applicable codes of conduct. It includes not conducting business with organisations and/or individuals that are guilty of corruption and/or fraud and also covers the way fraudulent claims are handled.

Interest rate risk
The risk that the fair value or future cash flows of a financial instrument and/or commitments will fluctuate because of changes in market interest rates.

Intergovernmental Panel on Climate Change (IPCC)
A United Nations organisation that assesses the risks of climate change. The panel is made up of hundreds of experts from around the world, from universities, research centers, environmental organisations and other organisations. The IPCC does not conduct research itself, but evaluates research published in scientific journals.

International Financial Reporting Standards (IFRS)
Reporting standards and interpretations for companies issued by the International Accounting Standards Board (IASB). These comprise: International Financial Reporting Standards (IFRS and IAS); and Interpretations by the International Financial Reporting Interpretations Committee (IFRICs and SICs).

International Standardization Organisation (ISO) standards
The ISO is an international organisation dedicated to drafting, managing and improving standards for all kinds of organisations, processes and inspections. The ISO standards

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are international standards aimed at optimising business processes that have been drawn up by the ISO.

Investment result from (re)insurance activities
Result consisting of changes in the value of investments, interest income, other investment income, investment expenses and impairment losses.

Liability for incurred claims (LFIC)
Liability related to claims that have already occurred arising from insurance contracts, consisting of:
a) claims related to insured events that have already occurred, including claims for which claims have not yet been reported; and
b) amounts not included under (a) for services already provided or investment components or other amounts not related to insurance contract services and not included in the LFRC.

Liability for remaining coverage (LFRC)
Liability for remaining coverage for insurance contracts, consisting of:
a) expected future claims for insured events that have not yet occurred that are covered under existing insurance contracts; and
b) amounts not included under (a) for insurance contract services not yet provided, or investment components or other amounts not related to insurance contract services that have not been transferred to the LFIC.

Liquidity risk
Liquidity risk constitutes the risk that actual and potential payments and obligations cannot be fulfilled at the time of their maturity.

Locked-in discount rate
Discount rate at initial recognition used to discount the CSM in the General model under IFRS 17.

Market risk
Market risk refers to the risk that an entire market or asset class declines, which can potentially affect the price and value of the assets in the portfolio.

Net financial result from (re)insurance activities
Result consisting of the Investment result from (re)insurance activities, finance result from insurance contracts and finance result from reinsurance contracts held.

Net Promoter Score (NPS)
The NPS is an important and widely known performance indicator used for example for determining customer satisfaction, customer loyalty and also employee satisfaction. The higher this score, the more satisfied and loyal customers and users are. The central question is how likely it is that customers/employee would recommend the company or brand to others. This results in a score that varies between -100 and +100.

Net-Zero Insurance Alliance (NZIA)
A group of insurers committed to converting their insurance and reinsurance portfolios to net-zero greenhouse gas emissions by 2050 in order to contribute to the goals set out in the Paris Agreement: to restrict the average global temperature increase to a maximum of 1.5 to 2 °C. More information can be found here.

Net Zero Asset Managers Initiative (NZAMI)
The NZAMI is an international alliance of asset managers committed to achieving an investment portfolio with net-zero carbon emissions in 2050, in line with the Paris Agreement's goal of a maximum temperature rise of 1.5°C. NZAMI members formulate reduction targets and report on their progress annually. Every five years the interim targets are reviewed and adjusted where necessary. The emphasis here lies on reducing CO_2 in the real economy and investing in climate solutions.

Operating expenses
The portion of the Gross operating expenses not included as part of the fulfilment cash flows and therefore not part of underwriting expenses.

Operational result
The operational result is used for the internal management of Achmea's activities to maintain focus and control over the underlying development of results. It is calculated as the result before tax adjusted for reorganisation expenses, transaction results (mergers & acquisitions) and application of an expected return method for the net financial result from (re)insurance activities. Here, Achmea bases its calculations on the expected market rates at the start of the year and normalised returns on equities and investment property. The same market rates are used to determine the discount curve for provision for unwinding of discount of the insurance liabilities when calculating the operational result.

Operational risk
The risk that losses may occur from the inadequacy or malfunctioning of internal processes or systems, or external events.

Option
A financial instrument that conveys the right to buy (call option) or a right to sell (put option) a security at a reference price during a specified time frame.

Partnership for Carbon Accounting Financials (PCAF)
The Partnership for Carbon Accounting Financials has developed a standard for measuring and reporting on the

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carbon emissions from loans and investments. The PCAF standard is the most commonly used standard internationally for measuring and reporting on financed carbon emissions from loans and investments.

Premium allocation approach (PAA) under IFRS 17
One of the valuation models within IFRS 17 that can be applied conditionally.

Principles for Responsible Investment (PRI)
The United Nations Principles for Responsible Investment (PRI) represent a framework for institutional investors. Launched in April 2006, the PRI aim to help integrate consideration of environmental, social and governance issues by institutional investors into investment decision-making. Further information is available at www.unpri.org.

Principles for Sustainable Insurance (PSI)
The United Nations Principles for Sustainable Insurance (PSI), launched in 2012, are a standards framework for insurance companies designed to incite the insurance industry to consider environmental impact, social living conditions, transparency, customer interests and corporate governance in its business operations. Further information is available in supplement F. and at www.unepfi.org.

Private equity
An asset class consisting of equity securities of companies that are not publicly traded on a stock exchange.

Prudent remuneration policy
A prudent remuneration policy attempts to find a balance between compensation that is commensurate with the abilities and level of responsibility of our employees, international standards and rules, and the expectations of our stakeholders. The principles for a controlled remuneration policy, as set by regulators De Nederlandsche Bank (DNB) and the Netherlands Authority for the Financial Markets (AFM), serve as the basis for evaluating the remuneration policies of financial companies. The principles and supervision of this policy are aimed at fighting the incentives which could potentially result in undesired and irresponsible risks being taken, which, in turn, could cause customer interests to be neglected.

Reinsurance assets for remaining coverage
The reinsurer's share of the fulfilment cash flows related to future services and any CSM at that date.

Reinsurance assets for incurred claims
The reinsurer's share of the fulfilment cash flows of claims incurred.

Responsible investment
Responsible investment (also referred to as 'ethical investment' or 'socially-responsible investment') is a form of investment whereby financiers consider the impact on human beings and the environment in their investment decisions.

Risk Adjustment (RA)
Risk adjustment for non-financial risk. The compensation required by an entity for bearing the uncertainty arising from non-financial risk regarding the amount and timing of cash flows.

Service book
Portfolio of pension & life insurance contracts. This insurance portfolio consists of a closed portfolio of pension and life insurances in which no new policies are sold and an open portfolio of new sales of term life insurance policies and direct annuities.

Socially accepted return
In order to achieve a socially accepted return, it is important to strike a balance between implementation costs, profit and solvency on the one hand and the amount of the premiums on the other hand. There is a public interest, in particular, in privatised collective provisions such as the basic health insurance.

Solely payments of principal and interest (SPPI)
Test under IFRS 9 used to determine whether the contractual cash flows for a financial instrument consist solely of principal repayment and interest payments.

Solvency
Solvency expresses the degree to which insurers are able to meet their future obligations. All insurance companies are required by law to maintain a specific solvency margin as a safety margin (required solvency margin). This is regulated by De Nederlandsche Bank, thereby providing additional security to policyholders. If an insurance company's actual solvency margin is equal to the minimum solvency requirement, the solvency ratio is 100%, while if an insurer maintains a capital than required, the solvency ratio exceeds 100%.

Solvency II (SII)
Solvency II is a European Union legislative initiative that became effective in all EU Member States on 1 January 2016. It is a standardised regulatory regime for insurers across Europe and contains legislation regarding insurance solvency and risk convergence.

Solvency II ratio
This measure is used to monitor the solvency position based on the regulatory framework. The ratio reflects the permitted equity components as a percentage of the required Solvency II capital.

SUPPLEMENT H. GLOSSARY

Stakeholders
Stakeholders are individuals or entities that have a stake in an organisation of whatever nature. They are involved in the organisation's activities, share in its profits, influence its performance and assess its economic, social and environmental impact. Achmea focuses in her value creation mainly on the following stakeholder groups: customers, employees, capital providers and society.

Subordinated debt
Loans (or securities) that rank after other debts should the company fall into receivership or be closed.

Supplementary health insurance
The supplementary health insurance is a voluntary additional cover to the basic insurance cover, covering medical expenses.

Sustainable development
Development that meets the needs of today's generation, without endangering the ability of future generations to meet their own needs. Sustainable development encompasses three dimensions: economic, ecological and social. Sustainable development refers to wider environmental and social interests rather than the interests of specific organisations.

Taskforce on Climate-related Financial Disclosures (TCFD)
Taskforce set up in 2015 by the Financial Stability Board to develop climate-related financial risk information. The idea is for the information to offer insight into the financial impact of climate change on an organisation.

Third-party companies
Third-party companies include Achmea subsidiaries of which the social and environmental aspects are not registered at the central level. This is in line with the structure used for HR policy (see also supplement B.) and comprises the following entities: Eurocross Assistance, InShared, Klant Contact Services and InAdmin RiskCo.

Ultimate Forward Rate (UFR)
The UFR represents the notional interest rate after the last liquid point (LLP) in the forward swap market. It is a risk-free notional interest rate used for long-term contracts which are undertraded due to the long period of time involved. The UFR is used for a variety of purposes, including the valuation of specific long-term contracts and to calculate the solvency ratio.

Unit-linked contracts
Life-insurance contract which involves investing in an investment fund through the purchase of units. There is often a choice between equity, bond and mixed funds.

United Nations Universal Declaration of Human Rights
Adopted and proclaimed by the General Assembly of the United Nations on 10 December 1948, the United Nations Universal Declaration of Human Rights sets out the fundamental rights of all people and is a key element of many organisations' codes of conduct as part of their supply-chain responsibility policies.

Underwriting risk
The risk the insurer has taken over from the policyholder. Achmea is exposed to life risk, non-life risk, income risk and health risk as a result of its broad insurance product range.

Value chain
An organisation's value chain includes the activities that convert inputs into outputs by adding value. It includes entities with which the organisation has a direct or indirect business relationship and that either:

- provide products or services that contribute to the organisation's own products or services, or
- receive products or services from the organisation.

Variable Fee Approach (VFA) under IFRS 17
One of the measurement models within IFRS 17 that can be applied conditionally.

VCS certificates
VCS stands for Voluntary Carbon Standard. These standards are used to determine whether carbon emissions are being reduced in sustainable projects. VCS are only used for assessments to obtain VERs (Verified Emission Reduction credits). The VERs issued by VCS are also known as VCUs (Voluntary Carbon Units).

Voting/Voting Policy
Achmea can influence companies by voting. By exercising voting rights, we want to encourage companies to, for example, improve the quality of their management and improve sustainability. We expect this to be positive for the development of shareholder value in the long term. For Dutch companies, our voting policy follows the Dutch Corporate Governance Codes. We also use the recommendations from this code when assessing the agenda items for which voting rights are applied. Outside the Netherlands we use the code of the ICGN (Global Corporate Governance Principles) and the local Corporate Governance Codes as a guideline. The voting policy, which details how Achmea votes on topics such as director appointments, capital structure and remuneration policy, can be found here.

COLOPHON AND CONTACT INFORMATION

Colophon and contact information
This is the English version of the Achmea annual report for 2023. A Dutch version of this report is also available. In the event of any discrepancies between the Dutch and English versions of this report, the Dutch version will take precedence. The annual report can be downloaded from the Achmea website (www.achmea.nl).

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