

# Syntrus Achmea Real Estate & Finance B.V.

## Annual Report

2023



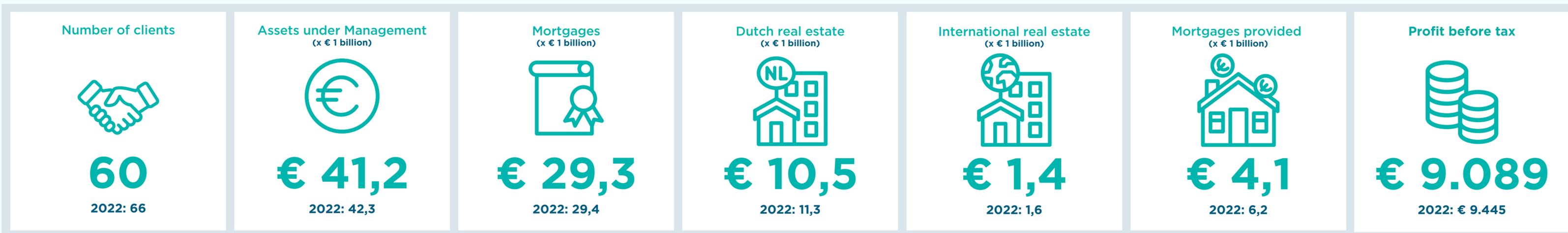
The original statutory annual report is prepared in Dutch and published on March 22, 2024.  
This document is an English translation of the original. In the case of any discrepancies between the English and the Dutch text, the latter will prevail.

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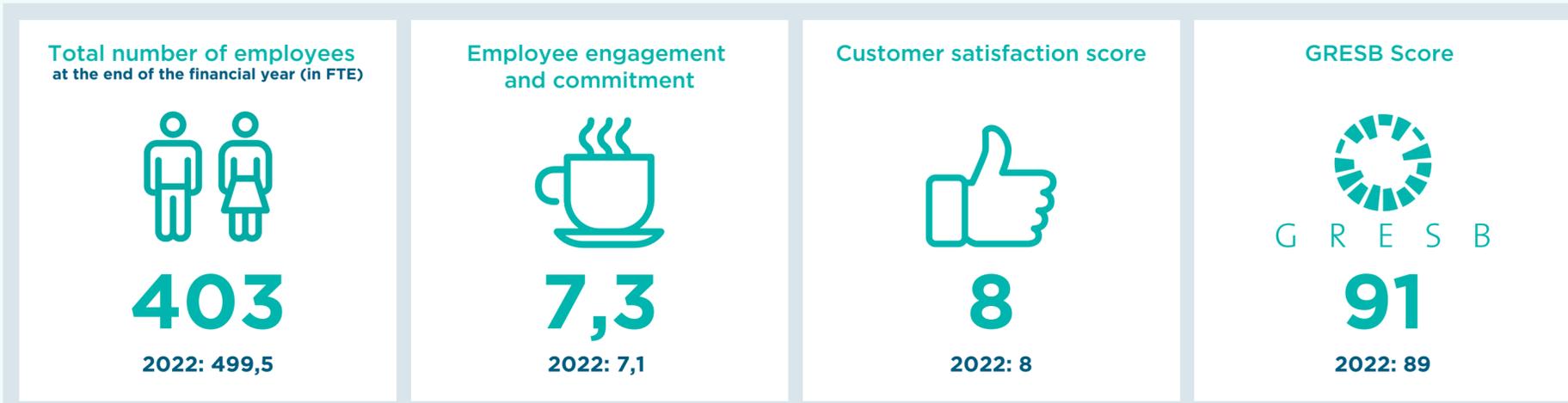
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# THE YEAR AT A GLANCE

## Portfolio figures



## Organisation



## Other



**Achievements**

- All Dutch real estate funds and portfolios managed by Achmea Real Estate have achieved the maximum rating of five stars in the leading Global Real Estate Sustainability Benchmark (GRESB). This means that worldwide they are among the best-performing funds and portfolios in terms of sustainability.
- The German GRP fund received the maximum of five stars and became first among its peer group for the first time.
- The mortgage business realises 1 mortgage path; successful transition to Quion.
- Timber ARE project in Delft purchased for Achmea Pensioen & Leven (AP&L).
- (CO<sub>2</sub>-dashboard 2023) As regards the Achmea Dutch Residential Fund, the reduction of the total CO<sub>2</sub>/m<sup>2</sup> emissions when compared to 1990 (44.2 CO<sub>2</sub>/m<sup>2</sup>) in 2022 (21.3 CO<sub>2</sub>/m<sup>2</sup>) -52%.
- Outperformance MSCI index for benchmark housing.
- The real estate business successfully positioned itself in the market under the new name Achmea Real Estate ('ARE').

# Executive Board Report



## INTRODUCTION BY THE EXECUTIVE BOARD

**‘Meaningful investing’**

Our primary task is to realise a stable financial and social return for our customers. That means ‘Meaningful investing’ for us. We choose sustainable investments. We thus offer our customers, including pension funds (and their participants in the pension funds), a healthy financial future in an attractive living environment. For now, the near future and the long term. This is also reflected in customer appreciation with a customer satisfaction of 8.

The main themes in 2023 were:

- excellence for investors, home owners and tenants
- following up the Customer Due Diligence (CDD) approach
- preparation operational separation Syntrus Achmea Real Estate & Finance and submission of a permit application to the AFM for new mortgage activities
- taking the lead in management based on ESG objectives (Environmental, Social & Governance):
  - recalibration of our ESG strategy and the introduction of the ESG magazine
  - further development of the Social Impact Monitor
  - promoting knowledge development around timber construction
  - the introduction of a green loan component for mortgages in order to promote rendering own homes more sustainable
  - granting access to several Centraal Beheer platforms and services to mortgage customers such as Duurzaam Woongemak and Klimaatwinkel

- being distinctive with data-driven business operations by completing the Max-1 (Mortgages) project and the start of the Real ConneQt (Vastgoed) project
- expansion of the preferred position with our partners
- preparing the introduction of the Digital Operational Resilience Act (DORA), cyber security legislation from the European Commission
- preparing the introduction of the Corporate Sustainability Reporting Directive (CSRD), which is the European guideline for sustainability reporting
- growing in assets under management and creating added value
- introduction of the Achmea Real Estate tradename for the real estate business

**The Sum of Us - Achmea Old-Age Provisions**

The Sum of Us is the strategy by means of which we aim to implement Achmea’s vision of Sustainable Living Together. Part of our strategy is that we invest in technology, customer service and service delivery, proposition development and innovations both within Achmea as a whole and in our growth centres. This allows us to continue serving our customers optimally and create sustainable value for our stakeholders. One of Achmea’s growth areas is its Old-Age Provisions (ODV) unit. Within ODV, Achmea helps customers make informed financial choices by providing insight, advice and smart solutions. We serve consumers, employers and institutional customers. Our objective is to provide our customers with a carefree old age, for now, the near future and later. We do so from Syntrus Achmea Real

Estate & Finance (Syntrus Achmea), Achmea Bank, Centraal Beheer Financiële Diensten, Achmea Investment Management, Achmea Pensioen & Leven, Achmea Pensioenservices and Centraal Beheer PPI (Premium Pension Institution). This provides us with an integral range of products and services and allows us to respond even better to the needs of our customers.

The ODV strategy was recalibrated in 2022 and four clusters were formed; Mortgages & Financial Services, Real Estate, Institutional Investment and Pensions. The Syntrus Achmea mortgage business will become part of the Mortgages & Financial Services cluster together with Achmea Bank and Centraal Beheer Financiële Diensten. The real estate business will continue independently in the Real Estate Cluster under the name Achmea Real Estate.

Preparations were made in 2023 to place the Syntrus Achmea activities within the various entities. The transfer of part of Syntrus Achmea’s mortgage activities to Achmea Mortgage Funds B.V., which is a new Achmea group company, requires an AIFMD (Alternative Investment Fund Managers Directive) permit. The permit application was submitted to the AFM in May 2023. We endeavour to realise the transfer of the mortgage activities in the second quarter of 2024. Following this transfer, Syntrus Achmea will continue its activities as real estate company under the name Achmea Real Estate.

## Focus and future-proof

Even after the operational separation of Syntrus Achmea, the real estate and mortgage business will continue to realise the strategic objectives in 2024. Increased cooperation and synergy within ODV will accelerate the realisation of the strategy. In 2024, both business units are focusing on:

- further increase in customer satisfaction
- further strengthening of internal governance, including risk management
- implementation of laws and regulations including CDD, Privacy and outsourcing
- retention of existing customers and attracting new customers
- growth of investments in mortgages and real estate
- further integration of ESG policy within the organisation
- the start of the implementation of the new IT landscape for Real Estate
- being distinctive by providing data-driven services
- further operationalisation and increasing synergy with Achmea's 'Sum of Us'.
- the further professionalisation of the organisation and increasing profitability
- good employment practices, including attention for employee engagement and commitment

This means that there is a substantial change calendar for 2024 as well, which has a prominent place on our agenda.

## The real estate market has been affected significantly by increased interest rates and uncertainty about future policy.

Driven by sharply rising inflation, the ECB raised interest rates significantly in 2023, with major implications for the mortgage and real estate markets. Combined with persisting political uncertainty in the Netherlands and the

proximity of two wars means that valuations have decreased, building costs have increased and there have a limited number of new transactions. Demand in the consumer market remains high at the same time. The growth of the population results in an undiminished demand for owner-occupied and rented housing. Based on the growth and inflation forecasts, macroeconomists expect that the ECB will implement its first interest rate decrease after the second quarter of 2024. In addition to these small bright spots, the prospect of future policy (especially concerning plans to regulate mid-range rent) is also an important component for new transactions. These developments are having an impact on tomorrow's real estate and mortgage investments. But even in uncertain times, real estate and mortgage investments remain a relatively safe haven for long-term investors. In addition, real estate is attractive because it offers investors the opportunity to make a very concrete impact.

## Corporate social responsibility

In the area of corporate social responsibility, we once again managed to maintain our reputation, for example by making more than 600 houses more sustainable in 2023, the CO<sub>2</sub> reduction of our residential portfolio by -52% since 1990 and the further improvement of the energy labels of our real estate investments and the houses that serve as collateral for the mortgage investments.

The European Union (EU) has tightened the climate objectives. The EU's objective of 40% CO<sub>2</sub> reduction in 2030 when compared to 1990 has been raised to 55%. We want and will make a substantial contribution in this area. With our ESG policy, we have developed a concrete framework for our future-proof business operations. Our ESG strategy was recalibrated last year and thus acted as a guideline for the implementation of socially responsible investment: ESG has become an integral part of our

portfolio plans. Our customers also impose ever-stricter requirements concerning ESG. Our ESG strategy formed a sound starting point during meetings for making the customer's ambitions more concrete. Over the past year, we informed our stakeholders of current developments, initiatives and the progress of sustainability agreements every quarter by means of ESG updates. In accordance with new sustainability regulations such as the SFDR, we added several sustainability activities at fund and portfolio level to the reports for customers and granted access to them via the websites. We also implemented our plans and our policy. All Dutch real estate funds and portfolios once again attained the maximum rating of 5 GRESB stars. Our mortgage customers have gained access to a wide range of sustainability solutions through Centraal Beheer's Duurzaam Woongemak platform. We intensified the care for our existing customers by continuously activating them and by granting insight into the status of the mortgage. The green loan component was also made available for various labels in 2023. This allows consumers to finance sustainability measures at a discount. We also offered preventative special credit solutions to customers experiencing (imminent) payment problems. Despite the worsening economic circumstances, there was little or no increase in payment arrears.

In short, we did what we said we would do last year. In 2024, we will continue to realise our ambition of belonging to the top of our peer group in the area of sustainability so that we can continue to make a sustainable impact on behalf of our customers.

## The Sum of Us – Achmea

Syntrus Achmea leverages Achmea’s pooling of resources not just within ODV, but Syntrus Achmea has also collaborated a great deal with other Achmea units.

In 2023, the commitment and expertise of Achmea IT combined with the Syntrus Achmea business resulted in the successful completion of the Mortgages project entitled Max-1 (one mortgage path) and the start of the Real Estate project entitled Real ConneQt (realisation of an integrated and up-to-date IT system).

In addition, Syntrus Achmea started the ‘Independent Together’ initiative with Zilveren Kruis, which is a new type of housing for single seniors that allows them to continue to live at home happily and healthily. Syntrus Achmea also participates in the ‘Safe and Sustainable Living’ project group with Interpolis, among others.

## Employees

Our ambitions, the wishes and requirements of our customers and the supervisory authorities and thus the further professionalisation of business demand more and different competencies of our employees. Investment by the employer and employees in training is an important precondition for keeping our main assets, employees, at the required level and to professionalise our organisation further. The Achmea programme entitled “All You Can Learn” is entirely in line with the above. Since 2022, employees have been able to use the unlimited training budget in respect of which Achmea and the trade unions made agreements in the CLA. The Climate Budget was also introduced in 2023. It allows employees to use € 2,500 net to make even more climate-conscious choices

such as making their house more sustainable, purchasing sustainable white goods or buying an electric bicycle.

## Mortgages

The year 2023 was characterised by macroeconomic and political uncertainties that were mainly caused by continuously high inflation, increasing interest rates and decreasing growth expectations. This also had an impact on Syntrus Achmea as regards the provision of mortgages. An amount of €4,061 million in mortgages was provided in 2023, which is a decrease of slightly less than 35% when compared to 2022. The lower interest rates at the end of 2023 caused the assets under management (AUM) to increase from €27.6 billion at the end of 2022 to €29.3 billion at the end of 2023.

In 2023, investors were also confronted with a full or even over-allocation in respect of mortgages. Investors also needed liquidity in connection with collateral obligations, including interest overlay among other things, and pension fund investors were confronted with uncertainty concerning the Future Pensions Act (Wtp).

Although these factors played a role in the moderated absolute AUM growth rate in 2023, we managed to retain our strong market position. This performance reflects our resilience and dedication to

“**Although these factors played a role in the moderated absolute AUM growth rate in 2023, we managed to retain our strong market position.**”

continued delivery of quality and service to our customer, even in a changing market. We were therefore able to realise virtually all investor mandates deposited.

The migration from Force to QSP successfully completed the Max-1 project in June 2023. There is now a single mortgage path in which all existing and new mortgages will be serviced from now on. In this connection, mid-office activities are performed by Syntrus Achmea and back-office activities for all mortgage brands are carried out by Quion.

## Real estate

In 2023, assets under management (AUM) decreased to €11.9 billion (2022: €12.9 billion). Out of this amount, we invested €8.2 billion (2022: €8.8 billion) in housing. The decrease is mainly caused by the revaluations of the portfolio. Corrected for revaluations, we see a ‘net’ growth in assets under management of €226 million in 2023.

The decrease in house prices that started towards the middle of 2022 continued in the fourth quarter of 2023. The downward adjustment of the AUM is caused mainly by increased interest rates. Several institutional investors were over-allocated as regards real estate because the value of other asset classes decreased faster and sooner. As a result, demand from institutional investors fell in 2023. In addition, transaction levels fell as a result of persistent political uncertainty in the Netherlands, such as with respect to the regulation of mid-range rent levels, the deteriorating tax climate in the Netherlands due to the increased rate for transfer tax and the increase in building costs for example. The feasibility of many new construction projects came under pressure.

The shortages in the rental housing market remain high due to lagging housing production. Statistics Netherlands expects population growth of 800,000 residents until 2030 (as from 2023), with a particularly large growth in the large cities. This will increase the demand for real estate. Despite the challenging market conditions in the investor markets, Syntrus Achmea has nevertheless been able to perform several significant investments on behalf of its customers. We managed to deliver 1,350 houses and realise 2,500 houses under construction for our customers. This concerns for example the purchase of a housing complex in Breda and a Care Complex in Haarlem. Our real estate funds in residential (Achmea Dutch Residential Fund), care property (Achmea Dutch Healthcare Property Fund) and stores (Achmea Dutch Retail Property Fund) are doing well. This is the result of the strong transformation over the past years which means that these funds are positioned well now and have strong occupancy rates.



**Sustainability remains an important theme for Syntrus Achmea.**

Sustainability remains an important theme for Syntrus Achmea. The financial impact of sustainability is becoming increasingly clear, whereby valuers are generally still cautious in their valuation thereof. In cooperation with TU Delft among others, we launched a knowledge development programme on building with timber and other biobased materials in 2023. This form of construction contributes to both the housing and climate challenge. TU Delft's Biobased Design Team has been strengthened with professor Alex de Rijke in 2023.

## Customer Due Diligence

As a professional asset manager, it is important to Syntrus Achmea to have sound insight into the relationships with which we do business. This is how we implement a broader social interest, namely the prevention of money laundering, terrorist financing and breaches of the Sanctions Act. In 2023, we continued the CDD programme in full, focused on (further) demonstrable control of the CDD risks. The investigation by the Dutch Authority for the Financial Markets (AFM) into the FIU reports we submitted in 2018-2022 and our compliance with the Money Laundering and Terrorist Financing Act (Wwft) and the Sanctions Act (Sw) has not yet been completed. The AFM may impose an enforcement measure. Both investigations are ongoing.

## Financial results

Syntrus Achmea's operating result for 2023 is €9.1 million (2022: €9.4 million). The assets under management in real estate and mortgages increased and amounts to €41.2 billion at the end of 2023 (2022: €40.5 billion). Total sales decreased by €2 million to €135 million (2022: €137 million). The decline in sales within the mortgage business as a result of higher AUM from new provisions in 2023 combined with lower repayments and the growth in 'net' assets under management of the real estate business, could not fully offset the decline in real estate sales due to lower valuations. When compared to 2022, the operating costs remained unchanged €127 million.

With an ICARAP ratio of 221%, the capital position remains solid and offers sufficient room to make further investments and to grow as leading asset manager in the area of real estate and mortgages.

## In conclusion

The Management Team looks back on a good year in a turbulent environment. The world is changing but Syntrus Achmea's foundations have been reinforced. Our solid market position, broad client portfolio and diverse team of professionals thriving in a leading financial institution form the basis for this. We thank all employees for their commitment over the past year and the (new) customers for their trust in Syntrus Achmea.

The Management Team underwent a change in the past year. Bruno Oudega resigned from his position as Director Mortgages on 1 December 2023. We would like to thank Bruno for the successful migration to 1 mortgage path and the further professionalisation of the Syntrus Achmea mortgage business. Hikmet Sevdican has held the position Director Mortgages since 11 December 2023.

We are on track and we are very confident that the company's objectives will be realised in 2024, also after the operational separation of Syntrus Achmea.

Amsterdam, 22 March 2024

Mascha Hendrickx, Acting Chief Executive and Finance Director,  
Boris van der Gijp, Real Estate Director  
Hikmet Sevdican, Acting Mortgages Director

## ANNUAL REVIEW REAL ESTATE AND MORTGAGES

**January**

- Syntrus Achmea Real Estate & Finance (Syntrus Achmea) purchased 201 sustainable rented houses in Zoetermeer on behalf of Achmea Dutch Residential Fund (ADRF). 136 intramural care units in The Hague and the Wesselerbrink Health Centre in Enschede were purchased for the Achmea Dutch Health Care Property Fund (ADHCPF). In addition, 123 sustainable apartments were purchased in The Hague for one of its clients.
- Syntrus Achmea welcomes another participant in ADHCPF.
- Syntrus Achmea extends the offer period for mortgages to 12 months so that customers with a new house can benefit more from our mortgages.

**February**

- On behalf of a Dutch Pension Fund, Syntrus Achmea purchased 117 sustainable, life-course-proof houses at the location of Twentsche Textiel Maatschappij (Tetem) in Enschede.
- Syntrus Achmea makes 155 existing rented houses more sustainable for one of its institutional customers. The activities are carried out by BAM Wonen, which previously made almost 600 houses more sustainable for Syntrus Achmea customers

**March**

- In 2022, Syntrus Achmea once again outperformed the MSCI benchmark in respect of housing. The average total return on the residential portfolios under management was 3.5%: 1.9 percentage points higher than MSCI housing (1.6%). The residential portfolio under management at Syntrus Achmea had a combined value of €8.8 billion by the end of 2022.
- Syntrus Achmea launched the Achmea Dutch Mortgages Fund (ADMF) with two new sub-funds. This creates an opportunity for institutional investors in Dutch residential mortgages to differentiate their mortgage portfolios based on risk-return profiles.
- Syntrus Achmea organises 'Wise guys look ahead'. As part of this relationship event, intermediaries talk to mortgage employees concerning current themes and issues and the Wise Guy Awards are presented to advisors.

**May**

- Syntrus Achmea introduces the green loan component. Customers who borrow additionally for sustainability receive an additional interest rate discount.

- Syntrus Achmea publishes information about the possibilities of increasing sustainability via the mortgage. Duurzaamwoongemak.nl is also included as standard on a so-called 'green page' in our mortgage offers.

**June**

- Effective as from 1 June, the Syntrus Achmea real estate business continues under the new (trade) name Achmea Real Estate. A company with major ambitions and a new, enhanced ESG strategy. Its essence is our promise: provide more investments in real estate with a high social value that yield a suitable financial return.
- Achmea Real Estate establishes a long-term partnership with property managers REBO, MVGM, Cushman & Wakefield and Vb&t on the basis of equality.
- The Syntrus Achmea mortgage business makes yet another major step towards the realisation of its ambition to become the Best Mortgage Company in the Netherlands. The mortgage portfolios of the Syntrus, Attens and Tellius labels were migrated to the Quion Service Platform (QSP). The entire Syntrus Achmea Hypotheken mortgage portfolio is now being managed by our cooperation partner Quion in Capelle aan den IJssel.

## July

- Achmea Real Estate received two mandates from a Dutch insurer with a total value of €117 million for the Achmea Dutch Retail Property Fund (ADRPf). The insurer is already a participant in the Retail Fund.

## September

- Achmea Real Estate let a total of 6,594 m<sup>2</sup> in retail space to new and existing tenants on behalf of the ADRPF.

## October

- All Dutch real estate funds and portfolios managed by Achmea Real Estate have achieved the maximum rating of five stars in the leading Global Real Estate Sustainability Benchmark (GRESB). This means that worldwide they are among the best-performing funds and portfolios in terms of sustainability.
- Achmea Real Estate purchases De Slinge healthcare complex in Assen on behalf of the ADHCPF. The complex is being constructed at the location of the current De Slingeborgh centre and has 176 intramural care units for older residents with severe care requirements in particular.
- All Attens customers are able to use the climate store and receive a €500 contribution from PFZW if they choose one of the options for making their own home more sustainable.

## November

- Achmea Real Estate launches its first edition of the ESG magazine, which is the successor of the ESG Update that was published under the name Syntrus Achmea since 2020. The new magazine offers more room for information, opinion and inspiration, also from experts outside Achmea.
- On behalf of a Dutch pension fund, Achmea Real Estate purchases a new apartment building in Breda with 154 apartments, 144 of which are in the mid-range sector. In addition, a complex containing 103 life-course-proof houses, a first-line health centre and a multifunctional community centre in Haarlem were purchased on behalf of ADHCPF.



## December

- Syntrus Achmea appointed Hikmet Sevdican as Director Mortgages on 11 December. He takes over the position from Bruno Oudega, who left Achmea on 1 December 2023. The supervisory authorities are handling the permit applications to divide the real estate and mortgage business within Syntrus Achmea into the entities Achmea Real Estate (Real Estate) and Achmea Mortgages (Mortgages). It is expected that the above will be approved in the second quarter of 2024. Sevdican's appointment is therefore temporary.
- Achmea Real Estate is making 77 houses in Almere, Enschede and Sneek more sustainable for 1 of its customers.
- Achmea Real Estate is redeveloping Amstelplein in Uithoorn. An office building that has been vacant for a prolonged period of time in the centre of the village is being replaced with 74 sustainable, life-course-proof apartments. The adjacent shopping centre is being revamped as well.
- Achmea Real Estate is well ahead of schedule in reducing the CO<sub>2</sub> emissions of houses. Emissions are now 52% lower when compared to 1990. The government's objective is a reduction of 55% in 2030. In round numbers, ARE manages 27,000 rented houses for its institutional customers, such as pension funds and insurers.
- The Syntrus Achmea mortgage business is improving its quarterly Sustainability report. The performance of the mortgage products in the area of ESG were enriched with external data concerning sustainability profiles among other things.

**MULTIYEAR OVERVIEW SYNTRUS ACHMEA** (AMOUNTS X €1,000, UNLESS INDICATED OTHERWISE)

	2023	2022	2021
<b>Income statement</b>			
Total revenue	135.004	137.006	122.950
Total expenses	-127.317	-127.540	-120.947
Financial income and expenses	1.402	-21	-44
<b>Profit before tax</b>	<b>9.089</b>	<b>9.445</b>	<b>1.959</b>
Income tax	-2.366	-2.433	-499
<b>Profit after tax</b>	<b>6.723</b>	<b>7.012</b>	<b>1.460</b>
<b>Equity</b>	<b>60.682</b>	<b>53.959</b>	<b>46.947</b>
Investments in fixed assets	-	-	523
Cash flow from operating activities	4.680	18.992	2.449

The overview below shows the consolidated financial position at the end of the reporting year:

(AMOUNTS X € MILLION)

	2023	2022	2021
Receivables, prepayments and accrued income	17,4	11,7	13,4
Cash and cash equivalents	60,0	55,3	36,3
Equity	60,7	54,0	46,9
Current liabilities	17,1	14,2	12,8
<b>Working capital</b>	<b>60,3</b>	<b>52,8</b>	<b>36,9</b>
<b>Solvency</b>	<b>79,4%</b>	<b>78,4%</b>	<b>77,3%</b>
<b>Liquidity</b>	<b>4,5</b>	<b>4,7</b>	<b>3,9</b>
<b>ROS</b>	<b>6,7%</b>	<b>6,9%</b>	<b>1,6%</b>
<b>ROE</b>	<b>16,8%</b>	<b>20,1%</b>	<b>4,2%</b>

Working capital is a measure of a company's liquidity. It is the part of the capital available in the long-term for financing current assets and provides an image of the company's ability to meet its current financial obligations.

## Development assets under management

In 2023, Syntrus Achmea's assets under management increased by €0.7 billion to €41.2 billion (2022: €40.5 billion), which is an increase of 1.7%.

The distribution of the assets under management across the sectors is as follows:

### THE DIVISION OF THE ASSETS UNDER MANAGEMENT ACROSS THE SECTORS (AMOUNTS X €BILLION)

	2023	2022
Residential	8,2	8,8
Retail	0,9	0,9
Offices	0,1	0,2
Healthcare	0,8	0,9
Other	0,5	0,5
<b>Dutch real estate</b>	<b>10,5</b>	<b>11,3</b>
Europe	0,7	0,8
North America	0,5	0,6
Asia	0,2	0,2
<b>International real estate</b>	<b>1,4</b>	<b>1,6</b>
<b>Total real estate*</b>	<b>11,9</b>	<b>12,9</b>
Retail mortgages	29,3	27,6
<b>Total mortgages</b>	<b>29,3</b>	<b>27,6</b>
<b>Total assets under management</b>	<b>41,2</b>	<b>40,5</b>

\* This includes the in-house real estate funds and the discretionary property portfolios

## Financial results

### Profit

When compared to 2022, the profit before tax for 2023 decreased by €0.3 million to €9.1 million (2022: €9.4 million). The decrease in the result is caused by a decrease in the total revenue by €2.0 million, compensated in particular by interest income of €1.4 million. The total costs for 2023 of €127.3 million have remained unchanged when compared to 2022.

### Revenue

When compared to 2022, the revenue decreased in 2023 by €2.0 million to €135.0 million (2022: €137.0 million), which is a decrease of 1.45%. This decrease can be explained to a significant degree by a decrease in the management fee concerning the real estate assets under management (AUM).

The reduced real estate management fee of €2.4 million is attributable to the decrease in value of the property portfolio when compared to last year. In addition, the acquisition, disposition and development fee is €2.0 million lower than last year.

The management fee for AUM mortgages increases by €2.4 million. The increase in the management fee for retail mortgages has been caused by an increase in mortgage lending and the growth of the mortgage portfolio, despite the (negative) revaluation of the Residential Mortgage Fund as a result of interest rate increases in 2023.

### Costs

When compared to 2022, the total costs in 2023 remained virtually the same at €127.3 million (2022: € 127.6 million). The stabilisation is caused in particular by reduced operating costs resulting from the migration to a single mortgage path, despite higher costs related to compliance with laws and regulations, including CDD, and a higher charging-on of group costs by Achmea, partly as a result of additional performance of CDD combined with the formation of 1KYC (the Achmea-wide Know Your Customer Center).

## Ratios

The applied definition of return on equity (ROE) is the profit before tax for the reporting year divided by equity at the start of the reporting year. The definition of return on sales (ROS) is profit before tax for the reporting year divided by total revenue for the reporting year. The ratios are:

- When compared to 2022, the ROE ratio decreased by 3.3 percentage points to 16.8% in 2023 (2022: 20.1%).
- When compared to 2022, the ROS ratio decreased by 0.2 percentage points in 2023 to 6.7% (2022: 6.9%).
- When compared to 2022, the liquidity ratio decreased in 2023 to 4.5 (2022: 4.7).
- The solvency ratio at year-end 2023 (79.4%) increased when compared to the end of 2022 (78.4%).

The decrease of the ROE was mainly caused by higher equity due to the addition of the 2022 result in the 2023 financial year (versus 2022).

Reference is made to the consolidated cash flow statement 2023 in the financial statements as regards the cash flow from operating and investment activities.

## Capital management

Syntrus Achmea is subject to prudential capital requirements pursuant to the Financial Supervision Act (Wft). Investment firms are obliged to assess on a regular basis the risks to which they are exposed, the degree to which these risks are being mitigated and the amount of capital required to cover the residual risk. This “Internal Capital and Liquidity Adequacy Assessment Process” is the firm’s comprehensive risk assessment of all risks to which it is or could be exposed.

Based on ICARAP analysis that was updated in 2022, the required ICARAP capital amounts to €26.0 million. On 31 December 2023, the minimum amount of the cash and cash equivalents to be maintained as manager of alternative investment funds pursuant to the AIFMD permit is €21.5 million.

The ICARAP capital must be tested against Syntrus Achmea’s statutory capital. Intangible fixed assets are a deductible item for calculating the regulatory capital.

On 31 December 2023, Syntrus Achmea’s regulatory capital amounts to €58.1 million (2022: €51.7 million). The regulatory capital is therefore above the required ICARAP capital of €26.0 million. The cash and cash equivalents maintained amount to €49.1 million (statutory) (2022: €44.0 million) and are therefore above the minimum amount of €21.5 million.

## Cash flows and funding requirements

Based on its internal liquidity forecasts, Syntrus Achmea expects the future operational cash flows and current liquidity position to cover the future liabilities.

Syntrus Achmea is funded through shareholders’ equity. The company expects that the amount of statutory equity will remain above the ICARAP regulatory capital and the AIFMD regulatory capital. There is therefore no need for short-term and medium-term debt financing.

(AMOUNTS X € MILLION)

	2023	2022
Equity	60,7	54,0
Minus: participating interests	-2,2	-0,5
Minus: Intangible fixed assets	-0,4	-1,8
<b>Regulatory capital</b>	<b>58,1</b>	<b>51,7</b>
ICARAP capital	26,0	26,0
<b>Surplus</b>	<b>32,1</b>	<b>25,7</b>

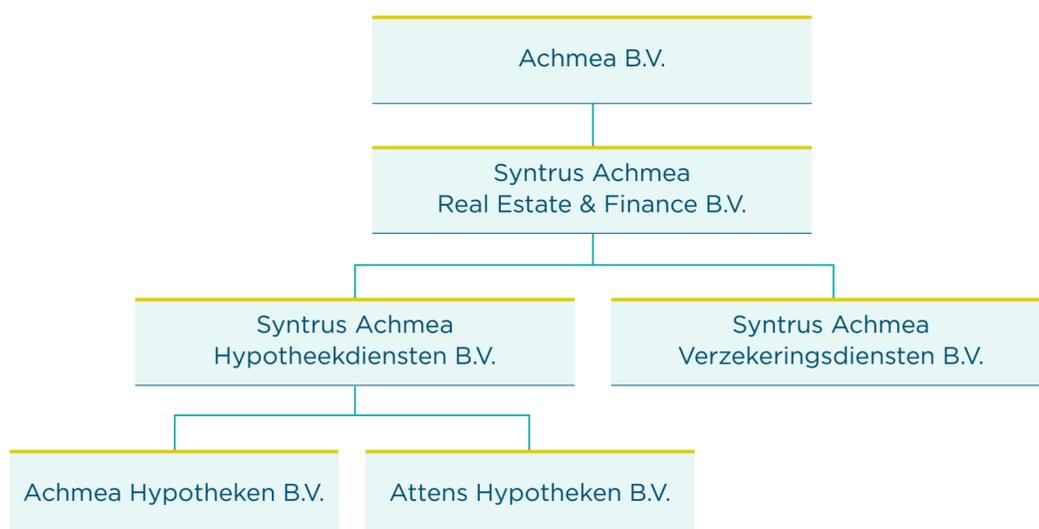
# EXECUTIVE BOARD REPORT ABOUT US

## General information and profile

### Structure

#### Legal structure

Syntrus Achmea Real Estate & Finance B.V. is a full subsidiary of Achmea B.V. Achmea B.V. heads the Achmea Group. Syntrus Achmea Real Estate & Finance B.V. fully owns subsidiaries Syntrus Achmea Hypotheekdiensten B.V. and Syntrus Achmea Verzekeringdiensten B.V. Syntrus Achmea Hypotheekdiensten B.V. fully owns its subsidiaries Attens Hypotheken B.V. and Achmea Hypotheken B.V.



#### Activities

Syntrus Achmea Real Estate & Finance B.V. (Syntrus Achmea) is a Dutch asset manager that specialises in investing at the expense and risk of third parties directly and indirectly in real estate and mortgage loans. Syntrus Achmea works for institutional parties such as Dutch pension funds, insurers and charitable institutions. On behalf of sixty institutional investors, we manage approximately €41.2 billion in houses, stores, care property and mortgages. Syntrus Achmea holds an AIFMD authorisation as referred to in Section 2:65a of the Financial Supervision Act ('Wft') as well as a Wft permit to provide investment services to professional investors (Section 2:67a, paragraph 2 Wft).

Syntrus Achmea Hypotheekdiensten B.V.'s activities mainly consist of offering credit facilities and providing and managing mortgage loans. Syntrus Achmea Hypotheekdiensten B.V. is an intermediary within the meaning of the Wft and holds an AFM permit within the meaning of Section 2:80 Wft. Syntrus Achmea Hypotheekdiensten B.V. is exempt from the commission ban under Section 4:25a Wft.

The activities of Syntrus Achmea Verzekeringdiensten B.V. mainly consist of providing advice and performing intermediary activities with respect to corporate non-life insurance. Syntrus Achmea Verzekeringdiensten B.V. is an advisor and intermediary within the meaning of the Wft and holds AFM permits as referred to in Sections 2:75 and 2:80 Wft.

The activities of Attens Hypotheken B.V. consist of offering credits, portfolio management of investments in mortgage loans and the provision and management of mortgage loans. Attens Hypotheken B.V. is a provider and intermediary within the meaning of the Wft and holds AFM permits within the meaning of Sections 2:60 and 2:80 Wft. Attens Hypotheken B.V. is exempt from the commission ban under Section 4:25a Wft.

Achmea Hypotheken B.V.'s activities mainly consist of offering credit facilities, portfolio management of mortgage loan investments, and providing and managing mortgage loans. Achmea Hypotheken B.V. is a provider and an intermediary as defined in the Wft and holds AFM permits as referred to in Sections 2:60 and 2:80 Wft. Achmea Hypotheken B.V. is exempt from the commission ban under Section 4:25a Wft.

#### Organisation

All Syntrus Achmea employees are employed by Achmea Interne Diensten N.V., which is a working company of Achmea B.V. The personnel and other expenses are charged on a self-financing basis to the various Achmea operating companies. Syntrus Achmea charges the personnel and other expenses relating to activities of its subsidiaries on to them.

## Composition of the Executive Board



### Mascha Hendrickx

#### Hendrickx, Finance Director & Acting Chief Executive

Mascha Hendrickx (1974) has been Acting Chief Executive since 1 October 2022, in combination with her position of Finance Director (from 1 July 2019) at Syntrus Achmea. Before that, Hendrickx worked at KPMG Financial Services from 2002 to 2019. In her role of audit partner, which she held since October 2012, she was responsible for the audit of financial reporting by listed and non-listed asset managers and investment funds in real estate and mortgages. At KPMG, she was also responsible for the Real Estate Competence Center. Hendrickx has extensive expertise and experience in Investment Management, financial issues, reporting and internal control of operational and financial processes. She is a member of the board of IVBN, the Association of Institutional Property Investors in the Netherlands.

### Boris van der Gijp

#### Real Estate Director

Boris van der Gijp (1971) has been Syntrus Achmea's Real Estate Director since 17 September 2021. He has more than 25 years' experience in real estate. He has worked at Syntrus Achmea for the past decade, initially as Strategy & Research Director and then as the lead asset manager for commercial real estate and real estate administration. Van der Gijp used to be a director at ASR Vastgoed Ontwikkeling, where he was responsible for selling the projects developed by ASR. His career began as a valuer appointed under the Valuation of Immovable Property Act, after which he also worked for several years as a policy officer at Neprom, the umbrella organisation of professional project developers. Van der Gijp is a board member at Stichting HomePlan, member of the ASRE Supervisory Board and chairman of Kern, the platform aimed at improving inner cities.



### Bruno Oudega

#### Director Mortgages until 1 December 2023

Bruno Oudega (1970) was Director Mortgages at Syntrus Achmea since 1 April 2020. Before Oudega entered Achmea's service, he was chief executive officer at Quion, one of the largest third-party mortgage servicers in the Netherlands. Before that, he held various management positions at ABN Amro Hypothekengroep and its legal predecessor Bouwfonds Hypotheken, including the role of Chief Operating Officer for over six years. His extensive managerial experience, a very broad network of business relationships in the mortgage industry and expertise and work experience in several areas, including operations, marketing, sales, IT and programme and project management, mean that Oudega has been of great added value on the Syntrus Achmea Management Team. Oudega left Syntrus Achmea effective as of 1 December 2023 in order to take up the position of Director Residential at Argenta Bank Nederland.



### Hikmet Sevdican

#### Acting Director Mortgages since 11 December 2023

Hikmet Sevdican (1972) has been acting Director Mortgages at Syntrus Achmea since 11 December 2023. Sevdican joined Achmea in October 2023 as programme manager for Achmea Mortgages. Before joining Achmea, Sevdican was ultimately responsible for Rabo Fund Management and played an important role in the formation of Vista Hypotheken in 2018. Previously, Sevdican was managing partner at Dynamic Credit Partners Europe, a board member at the Dutch Association of Investment Analysts (VBA) and had held various fund management roles at APG and Robeco. Sevdican therefore has a very broad relationship network in the asset management industry and expertise in the area of mortgage management on behalf of institutional investors.

## Equitable distribution of Executive Board composition

Syntrus Achmea strives for an equitable distribution of men and women of at least 30% men and at least 30% women on its Executive Board under the articles of association. The Executive Board under the articles of association currently consists of two men and one woman.

## Human Resources

### Workforce

The composition of Syntrus Achmea's workforce (internal and external employees) in 2023 was as follows:

#### AVERAGE NUMBER FTEs\* IN 2023

FTEs per business unit	Intern	Extern	Totaal
Mortgages	134,2	34,7	168,9
Finance & Operations	102,9	21,8	124,7
Clients	29,7	0,9	30,6
Real estate	102,7	9,2	111,9
<b>Total</b>	<b>369,5</b>	<b>66,6</b>	<b>436,1</b>

\* A full-time employment contract is 34 hours a week.

### Culture and employee engagement

In 2022, Achmea reformulated its values: BEATS: Bevlogen (Enthusiastic), Eigentijds (Contemporary), Ambitieu (Ambitious), Trots (Proud) and Slagvaardig (Decisive). Following Achmea's introduction of these new values, we translated them to the mortgage and real estate business in 2023, whereby 'contemporary' and 'decisive' were selected as the most appropriate values. Decisiveness is expressed in the mortgage business in the management organisation for example: an important part of the activities has been placed with a partner organisation. Within the real estate business, decisive efforts are being made to implement an integrated IT system, in which the organisation is collaborating with external property managers. The tradename Achmea Real Estate has given the real estate company its own identity in the market. ESG in particular is the distinguishing, contemporary factor. We are now working on a leadership programme based on these Achmea values. This programme will be introduced in 2024.

In 2023, we once again conducted an employee satisfaction survey (MBO). The outcomes constitute an important topic for conversation at various levels within the organisation and formed the basis for debates about strategic staff planning and leadership. New themes and questions within the survey mean that it is not always possible to make a comparison with previous outcomes.

The scores for the six objectives are:

Engagement:	7.3	(2022: no measurement)
Customer interest:	7.8	(2022: 7.9)
Leadership:	7.0	(2022: no measurement)
Employment practice:	7.6	(2022: 7.8)
Vitality:	7.1	(2022: 6.8)
Inclusion:	7.7	(2022: no measurement)

3 of the 6 themes in the survey are new. We are satisfied with the increase in the vitality score. It is also visible in the decrease in sickness absence. We have measured inclusion for the first time and see a healthy score. We wish to further improve the leadership score by means of the proposed leadership programme in 2024.

## Organisational developments

### Migration QSP Mortgage System

As from 3 October 2022, all new mortgage applications for the five labels PVF Particuliere Hypothekenfondsen, Attens, Tellius, Centraal Beheer and Woonfondsen will be processed via QSP (Quion Service Platform). All borrowers (consumers) are thus served in the same manner. On 12 June 2023, Force's existing mortgage portfolios were also migrated to QSP. This constituted the realisation of an important milestone, namely the migration of the aforementioned mortgage portfolios to the QSP platform. This transition meant that several employees became redundant. In addition, several employees have followed the work and are employed with our partner effective as from date of transition.

### Cluster formation Mortgages & Financial Services and Real Estate

Achmea's strategy in the area of Old-Age Provisions was recalibrated halfway through 2022, in which connection it was decided to work from four new clusters in 2023: Mortgages & Financial Services, Real Estate, Pensions and Institutional Investment.

This change will enable us to be even more responsive to our clients' needs. Within this context, we are making preparations to divide Syntrus Achmea operationally into the Achmea Mortgages and Achmea Real Estate

business units. Together with Achmea Bank and Centraal Beheer Financiële Diensten, Achmea Mortgages forms the Mortgages & Financial Services cluster and Achmea Real Estate becomes an independent cluster. A new AIFMD permit is required in order to make this operational separation possible. An application for this permit was submitted in the second quarter of 2023. We endeavour to realise the operational separation in the second quarter of 2024. Several related organisational changes were already implemented in 2023 so that the transition to the four new clusters is gradually taking form. The main organisational changes made are:

- the operational separation of activities into mortgages and real estate, particularly in the 'columns' of Finance & Operations and Customers. Examples of these organisational changes are the separation of investor relations (as from 1 January 2023) and cash management (as from 1 April 2023). The colleagues concerned were generally already working full-time for mortgages or real estate. The separation is therefore a logical precursor to the operational split.
- complaint handling, which used to be part of Mortgage Operations, was transferred to Centraal Beheer on 13 March 2023, which means that all customer and/or intermediary complaints are now handled centrally within Achmea. This is in line with Achmea Complaints Policy.
- the shift from the Risk & Compliance (second line) unit to Achmea Risk Management and Achmea Compliance. This move took place on 1 July 2023. The employees concerned will continue to work for mortgages or real estate.

### Strategic Workforce Management

In 2023, an integral plan was formulated for strategic staff planning for the ODV chain at Achmea, which includes the mortgage and real estate business. This includes topics such as management information, fleet review, succession planning, recruitment strategy and learning.

## Remuneration

### Remuneration Policy

The remuneration policy applies to the entire Achmea Group in the Netherlands, which includes Syntrus Achmea. This means that all business units have the same guidelines and decision-making structure. Achmea also carries out supervision in a uniform manner.

### Report from the Remuneration Committee

On 31 December 2023, the Remuneration Committee was composed of three members of the Supervisory Board, namely Mr Kloosterman (chairman), Mr Van den Berg and Mr Bercx. The Remuneration Committee is advised by internal and external experts in the area of Achmea's Remuneration Policy, including the Human Resources Director. The Remuneration Committee held five meetings in 2023.

### Supervision of responsible remuneration

A core task of the Remuneration Committee is monitoring application of and compliance with policy in the area of (variable) remuneration. Responsible and controlled remuneration is an important subject for Achmea (see the annual Achmea Remuneration Report at [www.achmea.nl](http://www.achmea.nl) for further information).

The staff departments charged with performing what are known as 'key controls' regarding the remuneration policy provide meticulous reports at the meetings of the Remuneration Committee. This involves inter alia the (annual) key controls regarding the formulation of objectives, the manner in which they are determined, whether objectives were realised (in a sustainable manner) and to determine the regular risk analysis of the Achmea Remuneration Policy and what are known as 'risk takers' and 'identified staff'.

The Group Remuneration Policy was updated in 2023, in which connection the changes concerned among other things a further embedding of the aspects of sustainability in the Achmea Remuneration Policy.

### Process of performance management

The process of performance management at Achmea Group was revised and simplified several years ago. It was decided during the revision to increase simplicity and to tighten management by reducing the number of Key Performance Indicators (KPIs) and by defining them more specifically at the same time. In a manner that is in keeping with the strategy and Achmea's sustainable, long-term value creation model, but also within the risk profile and the 'risk appetite' of the company. In addition, a direct link was established with the Achmea General Code of Conduct. A downward adjustment of the variable remuneration is applied if the code is breached. An annual translation is made from the various building blocks (customer, society, sustainability, employees, (business) partners, processes (data & digital) and financial results) into targets that apply to the Achmea Group, divisions and units and/or for individual directors and employees. This creates a sound balance in the type of performance indicators, short-term and long-term performance management and the criteria on the basis of which variable remuneration may be awarded. Personal development objectives are part of management, such as within the context of strengthening leadership.

In 2023, Achmea also made limited use of variable remuneration based on the starting point that it supports stakeholder interests and can be applied 'risk adjusted'. The variable remuneration structure must never induce people to take additional risks or to maximise returns for the individual in the short term. For this reason, Achmea applies risk adjustment in variable remuneration.

This means that the realisation of objectives must be in line with the strategy, the long-term objectives and the core values of the organisation. There is also a malus and clawback policy.

The process of performance management is evaluated annually and discussed with the Remuneration Committee/ This was also the case in 2023. The process of performance management remained unchanged, in which connection possibilities for further simplifying the performance management process and variable remuneration in the future were assessed.

### Syntrus Achmea remuneration

In 2023, Syntrus Achmea did not employ natural persons who receive a total annual remuneration of €1 million or more.

The following maximum percentages of variable remuneration apply at Syntrus Achmea:

Category	On target	For outperformance
Division chair	15%	20%
Other Executive Board members and Senior Management	resp. 15% en 10%	resp. 20% en 15%
Collective labour agreement personnel	20%	20%

At (Syntrus) Achmea, at most three elements count towards the variable remuneration: an Achmea part, a Syntrus Achmea part and an individual part.

The breakdown is as follows:

Category	Achmea part	Syntrus Achmea part	Individual part
Collective labour agreement employees	20%	30%	50%
Senior Management & Executive Board	30%	30%	40%

### Employee benefits

Syntrus Achmea's total employee benefits amounted to €49.1 million in 2023 (2022: € 57.7 million). In 2023, Syntrus Achmea employed on average 354 internal employees (2022: 438 internal employees). The variable remuneration charged to 2023 amounted to €1.4 million (2022: € 1.8 million).

## Remuneration of the Syntrus Achmea Executive Board and Supervisory Board under the articles of association

### Key positions: Syntrus Achmea's Executive Board under the articles of association

Syntrus Achmea is an independent business unit within Achmea and

The Syntrus Achmea Executive Board under the articles of association is primarily responsible for the own entity.

In this section, we regard Syntrus Achmea's executive directors who perform the core management tasks for this entity as those holding the key positions under IAS 24.

In 2023, the company had three directors under the articles of association, which consisted of Mascha Hendrickx, Boris van der Gijp, Bruno Oudega until 1 December 2023 and Hikmet Sevdican as from 11 December 2023.

### The Executive Board's remuneration

The different positions are weighted, considering aspects such as the scope and nature of the responsibilities, the complexity of the managerial context in which an executive director acts, and the required knowledge, experience and competencies.

Besides the fixed salary, the executive directors' normal remuneration package includes variable remuneration. The Achmea Executive Board decides on the award of the variable remuneration in the year following the performance delivered. If necessary, this is coordinated with the Remuneration Committee of Syntrus Achmea and Achmea. In order to safeguard controlled remuneration policy, the policy is checked by the Syntrus Achmea Audit & Risk Committee before it is presented to the Syntrus Achmea Remuneration Committee. The variable remuneration is awarded for performance in previous years. In the event such remuneration is awarded for the previous performance year, half of it will be postponed for five years.

In addition to the salary, the Syntrus Achmea Board of Directors also has a pension scheme. It concerns a scheme that applies to the (CLA) employees of Achmea Interne Diensten N.V. This pension scheme is administered by Stichting Pensioenfonds Achmea.

An overview of the regular remuneration of the Executive Board under the articles of association in 2023.

It includes a comparison with 2022 at the overall level.

**REGULAR REMUNERATION SYNTRUS ACHMEA EXECUTIVE BOARD UNDER THE ARTICLES OF ASSOCIATION:** (IN € X 1.000)

	Annual Salary	Variable remuneration awarded (short-term employee benefits)	Awarded variable remuneration (long-term employee benefits)	Pension up to €128.810*	Contribution net pension in excess of €128,810	Wage supplement on pension above €128,810	Total
Total 2023	721	not yet known	not yet known	119	68	28	936
Total 2022	837	40**	40	151	110	80	1.178
	Average number of active directors under the articles of association 2023: 3						
	Average number of active executive directors in 2022: 4						

\* The explanation is included on the next page

\*\* The variable remuneration for the 2022 performance year awarded after the adoption of the financial statements. This has been retrospectively incorporated into the total above for the 2022 performance year.

## Notes

### Salary

The salary is the fixed annual salary including holiday allowance and the fixed year-end bonus. The salary is paid in twelve equal parts. Where applicable, the salary includes the benefit for private use of the lease car. In 2023, there was a general increase of 1% as from 1 January 2023 and an individual salary step ('increment') where applicable.

### Variable remuneration

At the time these financial statements were prepared, the resolution to award variable remuneration to Syntrus Achmea's Executive Board under the articles of association for the 2023 performance year has not yet been adopted. The award of variable remuneration for 2023 will be published in the Achmea Remuneration Report that will be published by the end of May 2024 at [www.achmea.nl](http://www.achmea.nl).

Following adoption of the 2022 financial statements, variable remuneration was awarded in 2023 to the directors under the articles of association for the 2022 performance year. Any deviations have been processed as part of the overall charges in the 2023 financial year.

## Pension

The pension scheme for all Achmea employees applies to Syntrus Achmea's Executive Board. This is a collective defined contribution (CDC) pension scheme with an average earnings ambition and a maximum contribution of 40% of the pension basis (based on the changed CLA for 2021-2023), including the following characteristics as at the end of 2022:

- Maximum pensionable salary: €128,810
- Accrual 1.875% per year, if the premium is sufficient (expected accrual 2023 approx. 1.875%)
- Deductible € 16,332
- Retirement age: first day of the month in which the age of 68 is reached
- Surviving dependant's pension
- Continuation of non-contributory pension accrual in case of partial or total incapacity for work
- Conditional indexation
- Standard personal contribution: 3.25% of the pension basis.

For pension accrual above the statutory tax limit as introduced on 1 January 2015 of €128,810 (2023), Achmea offers two forms of compensation to employees whose income exceeds this limit:

- A gross contribution to the net pension above €128,810: the Executive Board may spend the net portion of that contribution on a net pension insurance;
- What is known as a Pension Wage Supplement, which is a gross amount.

The table provides insight into the amount of the compensations in the 2023 financial year.

## Total expenses

In 2023, a total amount of €1,014 thousand (in 2022: € 1,261 thousand) in remuneration for the Executive Board of Syntrus Achmea was charged to the financial year. This total amount in Executive Board remuneration consists of the following components:

- short-term employee benefits (including variable remuneration awarded for 2022 €40 thousand) €760 thousand (in 2022: €878 thousand, including variable remuneration awarded for 2021),
- long-term employee benefits € 40 thousand (in 2022 for 2021 € 41 thousand),
- pension expenses €214 thousand (in 2022: €342 thousand).

## 'Claw back'

In 2023, there were no adjustments or recoveries of remuneration from previous years in respect of Executive Board members in 2023. This was not the case either in 2022.

## Loans

Members of Syntrus Achmea's Executive Board under the articles of association had no mortgage loans outstanding with parties associated with Achmea.

## Supervisory Board's remuneration

A separate Supervisory Board has been established for Syntrus Achmea. In 2023, the supervisory directors received the following remuneration (exclusive of VAT) for their activities.

### SUPERVISORY BOARD REMUNERATION (IN €):

	Fixed remuneration
Total 2023*	116.000
Total 2022	116.000

\* See page 41 for the composition of the Supervisory Board. One supervisory director, Daphne de Kluis, is also member of Achmea B.V.'s executive board. She does not receive separate remuneration for her position on Syntrus Achmea's supervisory board.

### Explanation of employee benefits under the AIFMD remuneration rules

Syntrus Achmea operates on the basis of an AIFMD permit. The total amount of the remuneration, divided into fixed and variable remuneration, which Syntrus Achmea has paid to its personnel during the year, is set out below. This is the total remuneration of everyone who works for Syntrus Achmea on a full-time or part-time basis.

**AIFMD TABLE 1 - EMPLOYEES TOTAL** (IN € X 1.000)

	Total fixed remuneration Syntrus Achmea's employees*	Total variable remuneration employees for the financial year Syntrus Achmea	Total amount of the remuneration of Syntrus Achmea's employees
2023	30.677	not yet known**	30.677
2022	32.452	1.429***	33.881

\* The fixed remuneration comprises the fixed gross annual salary, including holiday allowance and 13th month.

\*\* Not yet known At the moment the financial statements were signed, no resolution had been adopted concerning the award of the variable remuneration concerning 2023. If it is resolved to award, this will be published in Achmea's 2023 Remuneration Report, which will be published at [www.achmea.nl](http://www.achmea.nl) by the end of May 2024.

\*\*\* This concerns the variable remuneration awarded for the 2022 performance year. It was processed after the fact in the total for the 2022 performance year following adoption of the 2022 financial statements. See also the Achmea Remuneration Report 2022 published at the start of June 2023.

### Identified Staff

The aggregate amount of the remuneration at Syntrus Achmea is reported below, broken down by Senior Management and the employees whose actions have a significant influence on the risk profile of the investment entity, known as the identified staff.

**AIFMD TABLE 2 - IDENTIFIED STAFF SENIOR MANAGEMENT** (IN € X 1.000)

	Total fixed remuneration Syntrus Achmea Identified Staff	Total variable remuneration for the financial year - Syntrus Achmea's Identified Staff	Total amount of the Identified Staff remuneration Syntrus Achmea
2023	2.207	not yet known*	2.207
2022	2.521	129**	2.650

**AIFMD TABLE 3 - IDENTIFIED STAFF OTHER STAFF** (IN € X 1.000)

	Total fixed remuneration Syntrus Achmea Identified Staff	Total variable remuneration for the financial year - Syntrus Achmea's Identified Staff	Total amount of the Identified Staff remuneration Syntrus Achmea
2023	678	not yet known*	678
2022	891	55**	946

\* Not yet known. At the time of signing the financial statements, no decision had yet been taken on awarding variable remuneration for 2023 to Identified Staff. If it is resolved to award, this will be published in Achmea's 2023 Remuneration Report, which will be published at [www.achmea.nl](http://www.achmea.nl) by the end of May 2024.

\*\* This relates to the variable remuneration awarded for the 2022 performance year to Identified Staff. It was processed after the fact in the total for the 2022 performance year following adoption of the 2022 financial statements. See also the Achmea Remuneration Report 2022 published at the start of June 2023.

In 2023, Syntrus Achmea employed an average of 358 internal employees (2022: 438 employees), including 15 employees who are part of the Identified Staff (2022: 21 employees).

## Corporate social responsibility

### Our ESG strategy contributes to our brand promise 'Meaningful Investing'

#### Real estate

Meaningful investing that considers people, the environment, and society based on concrete objectives. Investing in sustainable real estate is the best way for us to achieve a stable, long-term financial return and social impact for our customers and to minimise risks. A sustainable investment policy is an essential part of our ESG policy. This is how we create a solid financial basis and an attractive living environment for our customers.

A comprehensive ESG report was published for the third time in 2023. It reported on the progress made in respect of the ESG strategy objectives launched by Syntrus Achmea in 2019. This ESG magazine, which succeeded the ESG update in 2020, can be found on the website of Achmea Real Estate<sup>1</sup>.

The launch of Achmea Real Estate also renewed the ESG strategy for the real estate business. The new ESG strategy has 4 pillars:

#### PHYSICAL SUSTAINABILITY

we are taking action on climate change

- Reducing operational CO<sub>2</sub> emissions
- Reducing material-related CO<sub>2</sub> emissions
- Certification of buildings
- Resilient buildings
- Biodiversity

#### SOCIAL IMPACT

we are creating a lasting social impact

- Social Impact Monitor
- Tenant satisfaction
- Affordable housing
- Suitable housing for the elderly
- Housing for key occupations
- Combating loneliness

#### SUSTAINABLE RESULTS

we are delivering sustainable results for our investors

- Outperforming ESG benchmarks
- Investor satisfaction
- Risk management
- Lasting relationships with suppliers
- Good corporate governance

#### RESPONSIBLE ORGANISATION

we are a responsible organisation

- Reducing the company's CO<sub>2</sub> emissions
- Employee engagement
- Attracting and retaining talent
- Diversity, equality and inclusiveness

Progress is monitored within the ESG committee headed by the Real Estate Director. In 2024, the ESG Update Report will report on the new strategy for the first time. The ESG strategy can also be found on the website of Achmea Real Estate<sup>1</sup>.

<sup>1</sup> [www.achmearealestate.nl/esg](http://www.achmearealestate.nl/esg)

### Global Real Estate Sustainability Benchmark (GRESB)

In 2023, Syntrus Achmea participated in the international sustainability benchmark GRESB with seven Dutch and two German funds and portfolios. Syntrus Achmea's average overall score went up from 89 to 91 points out of a total maximum score of 100 points. This is much higher than the average of the overall benchmark, which went up from 73 to 75 points. Eight of the nine funds and portfolios obtained the highest rating of 5 stars, one German fund achieved a rating of 4 stars. Three funds and portfolios, including the Achmea Dutch Health Care Property Fund, ended in first place in their peer group.

### CO<sub>2</sub>-reduction

It was agreed in the Climate Agreement that CO<sub>2</sub> emissions in the Netherlands in 2050 will be 95% lower than in 1990. Syntrus Achmea wishes to align with this and strives for a CO<sub>2</sub>-neutral property portfolio in 2050. CO<sub>2</sub> reduction roadmaps have been drawn up for the property portfolios, providing insight into possibilities to reduce CO<sub>2</sub> emissions.

The actual CO<sub>2</sub> emissions are monitored in the CO<sub>2</sub> dashboard. The calculation method was adjusted in 2023, so that it aligns with the starting points of GRESB and the Carbon Risk Real Estate Monitor (CRREM). The following data for 2022 was included in the dashboard in the autumn of 2023.

#### CO<sub>2</sub>-DASHBOARD (IN € X 1.000)

Sector	ARE portfolio (kg CO <sub>2</sub> per m <sup>2</sup> 2022)	Benchmark (CCREM) (kg CO <sub>2</sub> per m <sup>2</sup> 2022)	Data coverage
Residential	21,3	25,1	76,5%
Retail	38,5	69,8	41,6%
Healthcare	23,0	52,1	79,5%

The dashboard shows that the CO<sub>2</sub> emissions of the ARE portfolio for both residential, retail and healthcare are lower than the benchmark average.

CO<sub>2</sub> emissions in the residential portfolios are 52% lower than in the reference year (1990).

### Energy labels

Syntrus Achmea strives to ensure that the entire Dutch property portfolio has an energy label A or higher in 2030. By the end of 2023, around 74% (2022: 71%) of the property portfolios managed by Syntrus Achmea had an energy label A or higher, 11% (2022: 12%) an energy label B, 14% (2022: 15%) had an energy label C and 1% (2022: 2%) energy label D or lower.

### Sustainability upgrades

Properties are made more sustainable on a continuous basis, both small-scale and large-scale. This results in reduced CO<sub>2</sub> emissions, reduced energy expenses and a higher energy label.

### Residential

The focus on the reduction of energy consumption through improved insulation and ventilation means that houses are assigned an energy label A (or higher) and they are prepared for the energy transition. In the residential portfolio, 600 homes were made more sustainable in 2023.

A project that involved the placement of 'all-electric' heat pumps was also started. Circularity also received special attention within one of the sustainability projects. Experiences gained from this project are taken into account in future projects.

### Care property

In the healthcare portfolio, our tenant Dagelijks Leven's sites were equipped with smart metering in 2023. This means that it is now possible to monitor water consumption remotely and action can be taken quickly in case of leakage. A start was also made on the implementation of the CO<sub>2</sub> roadmap, which was formulated for ADHCPF in 2022 and 2023.

### Retail property

In the retail portfolio, more than 1,000 solar panels were installed at four shopping centres. This will be expanded in the coming years into as many solitary retail properties as possible. Where possible, gas meters are removed in case of changes. Opportunities to increase insulation values are sought at natural maintenance times, for example when replacing roof or façade. Next year, there will be more attention for circularity in maintenance and renovation.

### Climate adaptation

Reduction of CO<sub>2</sub> emissions of buildings contributes to countering climate change. However, buildings may already become damaged as a result of the consequences of climate change. This includes for example heat stress, extreme precipitation, drought and floods.

Syntrus Achmea participates in the development of the framework for climate adaptive buildings. This is an initiative of the Dutch Green Building Council (DGBC) for formulating a uniform method for determining climate risks to real estate in the Netherlands.

The framework consists of three parts:

1. Environment score
2. Building score
3. Area and building measures

Part 1 was delivered in autumn 2022, the method for determining a building's environmental climate impact. The environmental risks in Syntrus Achmea's property portfolio were assessed on this basis in autumn 2023. Part 2 of the framework, which includes the building characteristics, was delivered before the summer of 2023. Syntrus Achmea delivered four properties to the DGBC for assessment within the context of a pilot using the method. DGBC had the test carried out by multiple parties in the autumn. It showed that the method can be interpreted in different ways. DGBC will therefore tighten the description of the method.

### Social Impact Monitor

Achmea Real Estate launched a Social Impact Monitor in 2022. This is a tool that can be used to quantify the social return on investments in real estate for the first time. This is a unique tool for Achmea Real Estate to gain insight into the social investments we perform for our customers. This allows us, together with our partners, to focus more on increasing social impact and thus increase the liveability and future-proofness of districts and cities. A 0-measurement concerning 525 properties was carried out in 2022. The monitor was further refined and optimised in the first months of 2023. This considered specifically the practical applicability of the Social Impact Monitor. This resulted in a big improvement in the structure.

The number of dimensions was reduced from five to four: environment, residential, building and residents. Several indicators were moved within

the dimensions. In addition, several indicators were added in the area of affordability, safety and health. All of these adjustments mean that the social impact of properties can be assessed even better. A 1-measurement based on the improved structure of the Social Impact Monitor was performed in the autumn. The five largest residential portfolios were linked again to the monitor (a total of 531 properties). Based on the 1-measurement, strategies and improvement proposals at portfolio and object level can now be formulated to increase social impact where possible.

### SFDR en Taxonomie

The Sustainable Finance Disclosure Regulation (SFDR) is part of the European Commission's Action Plan for Sustainable Finance. It focuses on clearer provision of information concerning the sustainability of investment funds and mandates for example.

The SFDR consists of two levels: Level 1 includes principles for transparency on sustainability. Achmea Real Estate implemented these obligations in 2021. Compliance with Level 2 was realised on 1 January 2023.

The requirements of Level 1 were further elaborated therein. The required templates have been drawn up, the required information has been placed on the website and the required reports have been drawn up for the relevant Achmea Real Estate funds and mandates. The comprehensive statement on the adverse effects of investment decisions on sustainability factors is also available on Achmea Real Estate's website.

Information prepared pursuant to the SFDR must also specifically indicate the proportion of funds and mandates investing in environmentally sustainable activities as defined by the Taxonomy legislation. It contains extensive criteria on the basis of which it can be determined whether a contribution is made to one of the six environmental objectives on which the Taxonomy focuses. Achmea Real Estate has not yet issued a commitment concerning the Taxonomy.

In 2022 and 2023, Syntrus Achmea participated in a Dutch Green Building Council (DGBC) working group that developed a guideline on how to interpret the Taxonomy guidelines for real estate. Achmea Real Estate will determine the Taxonomy in 2024 partly on the basis of this guideline.

## Mortgages

### Achmea makes sustainable solutions available to everyone

Achmea stands for 'Sustainable Living Together'. This is how Achmea shows that we take responsibility for the world of tomorrow. Achmea invests in an inclusive society in which health, clean energy and nature are accessible to everyone. We do this together with partners and other stakeholders.



**Achmea makes sustainable solutions available to everyone. This is how Achmea shows that it takes responsibility for the world of tomorrow.**

### Achmea Mortgages ESG strategy

ODV's vision - living a (financially) carefree life now, in the near future and later - guides Syntrus Achmea's ESG strategy. Together we resolve major social issues in the domains of 'carefree living and working' and 'income for now, in the near future and later'.

### A lot of attention for sustainability measures

We take our social responsibility seriously and encourage our customers to make their homes more sustainable. We wish to promote the transition to climate neutral, both at our existing customers and by promoting new

green inflow. The former contributes most to the social side of society, but new green inflow is a precondition for realising objectives relating to making our portfolio greener.

Our mortgage labels focus on facilitating mortgage customers in making their house more sustainable. For residents, this results in reduced energy costs and a more comfortable home. An additional reason is that home owners and mortgage providers both benefit from houses made more sustainable with sound and safe materials. After all, this benefits the value of homes, home comfort, marketability, but also the quality and risk management of the Dutch residential portfolio.

In 2023, we also took actions to help customers become more sustainable and we looked at how we can further support customers in financially difficult times. Several examples:

- We offer existing and new mortgage customers the possibility of borrowing up to € 25,000 on favourable terms to make their home more sustainable. The customer receives an additional interest-rate discount in respect of this green loan component.
- In order to provide insight into these sustainability and savings measures, customers may use Centraal Beheer's online sustainability scan<sup>2</sup>. Among other things, the scan provides insight into what it means for the monthly income if you pay a sustainability solution with a loan.
- A 'green page' has been added to the interest rate offer in which we explain to customers the benefits of sustainability and the possibility of organising this themselves through our Sustainable Living platform. We further expanded the possibilities offered by this platform with a hybrid

heat pump and the home battery.

- In order to facilitate the financing of newly-built houses, we extended the maximum offer term for the Centraal Beheer Leef Hypotheek for these energy-efficient houses to 12 months in 2023.
- We offer training to mortgage advisers on the topic of sustainability and how best to broach it during the advisory conversation, via the advisory academy.
- We activated various customer groups and made them aware of opportunities to make their homes more sustainable. For example, Attens customers can use the Klimaatwinkel to make their homes more sustainable with a €500 voucher.
- Together with the provision of their loan, customers receive a brochure with more information about the possibilities of making their house more sustainable and the related benefits.

### And there is certainly also attention for the social side

We strive to offer our customers sustainable retention of their houses. We assist our customers also in (financially) difficult times. We have set ourselves the target of 80% of interventions by the Special Credits department resulting in retention of the house for the customer. In 2023, we managed to do so in 81% of the cases.

<sup>2</sup> [www.centraalbeheer.nl/duurzaam-woongemak](http://www.centraalbeheer.nl/duurzaam-woongemak)

In 2023, we also made preparations to further support customers in financially difficult times. Relevant examples include:

- Customers of all mortgage labels have been able to do the Mortgage Check in their personalised My Environment since 2023. This means that a customer gains easy and fast insight into the affordability of his interest-only mortgage. This may prevent future problems by taking action in time. And both the advisor and ourselves are happy to assist the customer in doing so.
- Inflation, among other things, may cause some of our customers to struggle financially. Dutch citizens are very reliable payers where it concerns their mortgage. If customers stop paying their mortgage, something is really wrong and sometimes we are already too late to really help the customer. We therefore actively call on customers to contact us if there are financial problems. The sooner a customer reports, the better we are able to help them. We offer a whole range of custom solutions. This includes things such as payment breaks, using budget and job coaches and restructuring the mortgage to pay off other loans. We like to think with the customer to come up with a solution together.



## Governance and risk management

### Governance

#### Corporate Governance Code

Listed companies report each year on whether they satisfy the requirements of the Dutch Corporate Governance Code on a 'comply or explain' basis. Although Achmea and its subsidiaries are not listed, Achmea follows these rules voluntarily. Most principles are included in the governance structure. Where relevant, Achmea largely complies with the Code's principles and best practices. We refer to the Achmea Annual Report<sup>3</sup> for further details concerning the Corporate Governance and compliance with the Corporate Governance Code.

#### The Executive Board under the articles of association

On 31 December 2023, the Executive Board under the articles of association counted three members and consisted of Mascha Hendrickx (Acting Chief Executive as from 1 October 2022 and Finance Director), Hikmet Sevdican, acting Director Mortgages as from 11 December 2023) and Boris van der Gijp (Real Estate Director). Bruno Oudega left Syntrus Achmea on 1 December 2023.

#### Supervisory Board

The Supervisory Board currently has four members and its composition is based on a balanced diversity of professional backgrounds and competencies. The Board consists of Hans Snijders (chairman), Hein Brand, Fieke van der Lecq and Daphne de Kluis. The Supervisory Board report in this report sets out the composition and committees of the Supervisory Board.

<sup>3</sup> [www.achmea.nl/investors/publicaties](http://www.achmea.nl/investors/publicaties)

#### Audit & Risk Committee

The primary task of the audit & risk committee is the supervision of financial reporting, internal control and risk management, including reporting on these subjects. The audit & risk committee met 6 times in 2023. During these meetings several fixed subjects are discussed in addition to changing subjects. The audit & risk committee regularly meets with the external accountant among others. A more detailed description of the audit & risk committee is provided on page 49.

#### Customer council

The customer council consists of representatives of customers for whom Syntrus Achmea manages both discretionary and funds investments. The main task is to provide advice regarding decisions on several strategic themes voluntarily and upon request.

#### The manager

Syntrus Achmea manages property and mortgage portfolios via funds or discretionary investments. Decision-making by the manager is shaped by granting delegated powers to the Executive Board and to senior management based on their position and role.

#### The depositary

BNP Paribas (BNP) is the depositary of the Alternative Investment Funds (AIF's) managed by Syntrus Achmea. The depositary has the following three core activities:

- Safekeeping
- Cash flow monitoring
- Oversight Duties inclusief Investment Compliance

### Relevant bodies of the Syntrus Achmea investment funds

#### Meetings of participants

The participants are united in the meetings of participants, which are held at least once per year, with due observance of the fund's terms and conditions. The participants approve changes to the fund's terms and conditions, changes to the portfolio plans and the appointments of members of the Supervisory Board or the advisory boards. They also approve the financial statements of the investment funds and grant discharge to the manager and the depositary.

#### Advisory Board property funds

Requests for advice on acquisitions/dispositions, strategy and the portfolio plan take place at the meetings of each fund's Advisory Board. The Advisory Boards include representatives of the participants and external members. As standard, the meetings of the Advisory Boards of the property funds are attended by the Investment Management director.

#### Supervisory Board mortgage funds

The Supervisory Board's primary task is the supervision of the business operations within the funds and reporting in respect thereof.

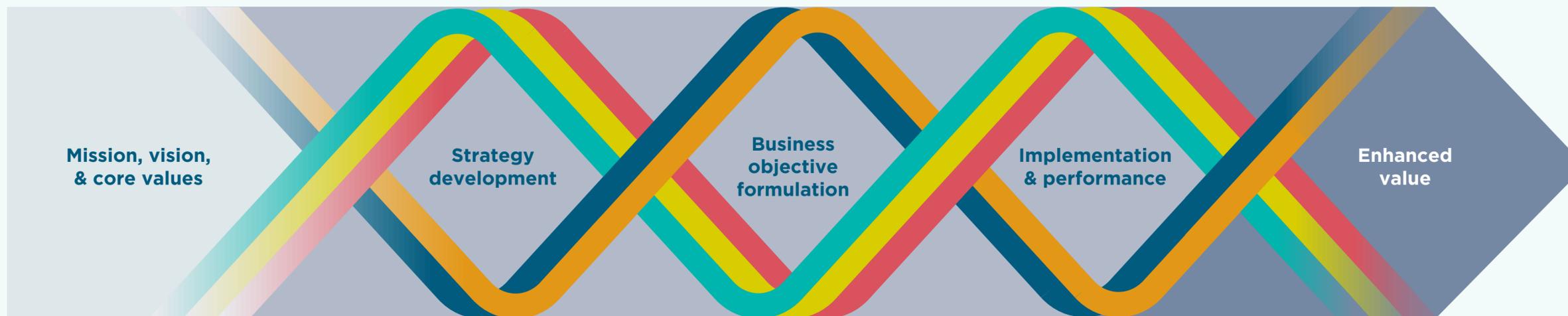
The Supervisory Board meets at least four times per year and reports to the meeting of participants concerning the performance of its tasks and the key objectives that received specific attention during the past year. In 2022, the Risk & Compliance that were previously handled within the Audit Committee Funds were added to the Supervisory Board mortgage funds.

## Risk management

### Risk framework

Syntrus Achmea has set up a framework for controlling risks to safeguard the quality of the services to its customers. Alignment with the COSO Enterprise Risk Management Framework was created for this purpose. The risk management system is evaluated annually based on internal and external developments.

### Enterprise risk management



#### Governance & Culture

1. Exercises Board Risk Oversight
2. Establishes Operating Structures
3. Defines Desired Culture
4. Demonstrates Commitment to Core Values
5. Attracts, Develops, and Retains Capable Individuals



#### Strategy & Objective-Setting

6. Analyzes Business Context
7. Defines Risk Appetite
8. Evaluates Alternative Strategies
9. Formulates Business Objectives



#### Performance

10. Identifies Risk
11. Assesses Severity of Risk
12. Prioritizes Risks
13. Implements Risk Responses
14. Develops Portfolio View



#### Review & Revision

15. Assesses Substantial Change
16. Reviews Risk and Performance
17. Pursues Improvement in Enterprise Risk Management



#### Information, Communication, & Reporting

18. Leverages Information and Technology
19. Communicates Risk Information
20. Reports on Risk, Culture, and Performance

The organisation structure and culture set the tone and determine the course of the organisation. Responsibilities are defined and supervision is set up so that risk management can occur. The culture of the organisation concerns Syntrus Achmea’s standards and values. Syntrus Achmea applies the ‘Three Lines of Defence’ model.

The first line is primarily responsible for risk control within the processes that are part of its responsibility and therefore for the correct, full and timely performance of the business operations. This means that in daily decision-making and implementation, management is responsible for determining whether sufficient safeguards exist to remain within the risk appetite boundaries.

**Risk & Compliance**

The Risk Management and Compliance functions form the independent second line of defence and are responsible for drawing up the internal policy frameworks for managing risks and continuously monitoring compliance with them. The Risk Management & Compliance department is organised centrally and has direct reporting lines to Syntrus Achmea’s Executive Board and the Audit & Risk Committee.

**Achmea Internal Audit**

From an independent position, the third line periodically assesses the effectiveness of the controls adopted by the first and second lines. Achmea Internal Audit reports to Syntrus Achmea’s management, Syntrus Achmea’s Audit & Risk Committee, Achmea B.V.’s Executive Board and Achmea B.V.’s Audit & Risk Committee.

**THREE LINES OF DEFENCE**



**Risk acceptance**

Risk acceptance is the maximum risk that Syntrus Achmea is willing to accept when implementing its chosen strategy and objectives. Risk acceptance consists of several starting points as part of the risk strategy and more in-depth qualitative statements with related Key Risk Indicators (KRIs), which monitor whether the risk profile remains within the boundaries of the risk acceptance. Syntrus Achmea evaluates and recalibrates its risk appetite, in coordination with the risk appetite of shareholder Achmea B.V. at least annually.

Periodic risk assessments are performed and key controls are set up for the key risks that line management assesses quarterly in the control framework for the purpose of controlling risks. The second line monitors and reports on the risk management. Syntrus Achmea has a low-risk appetite overall.

### Internal culture

Syntrus Achmea's culture is connected to Achmea's. The cooperative notion that forms the basis for Sustainable Living Together is also an important guideline for Syntrus Achmea in its daily actions. This is how we create sustainable value for our customers, our employees, our business and society. Among other things, the culture includes the risk attitude and how the organisation implements this attitude. We work from one Achmea, from shared Beats values, as described on page 20.

The Achmea General Code of Conduct means that every employee knows what is expected within the context of the daily activities and what he or she may be challenged about. The following aspects among others are addressed in this connection:

- Interaction with each other
- Handling business and information assets
- Trusted cooperation
- Handling conflicts of interest
- Handling incidents
- Handling complaints

Employees are screened for integrity (PES and IES) before and during their employment. Syntrus Achmea does this to reduce the risk that it employs employees with an integrity risk.

At Syntrus Achmea, every employee has taken the Achmea oath or promise (the oath or promise in the financial sector). Onboarding sessions are organised for new employees in which employees are introduced to the norms and values of Syntrus Achmea and its customers. Personal development is encouraged. Not only based on training ('all-you-can-learn-concept' and dependent on the training required for the position), but also

on the basis of programmes such as 'TOP' (Talent, Development, Performance) which focuses on the development of employees and in which employees themselves are in control. Regular awareness sessions are held to increase integrity awareness. Support and exemplary behaviour by the Executive Board and management ('tone at the top') are deemed very

important to limit risks. This is acknowledged by the Executive Board and management and the importance of integrity is actively endorsed within the organisation



## Risk description

Syntrus Achmea divides its risks into three categories (financial risks, non-financial risks (including strategic risks) and risks related to laws and regulations). This section describes the main risks and explains their management. These risks are explained in more detail in the financial statements under 'Financial risk management and financial instruments'.

### Financial risks

#### Return and earnings risk

Syntrus Achmea aims to be consistently profitable and to generate an adequate average annual return in the medium term (three to five years). A lack of adequate returns and earnings puts medium and long-term continuity under pressure. This risk is reduced through continuous monitoring and periodic reporting.

#### Liquidity risk

The liquidity risk is the risk that Syntrus Achmea encounters problems in complying with its financial obligations. The liquidity risk is monitored by means of the monthly formulation and assessment of a 12-month rolling forecast, which is a liquidity forecast to which the ICARAP liquidity requirement of €21.5 million applies as absolute lower limit.

#### Credit and counterparty risk

The credit risk is the risk of financial loss for Syntrus Achmea in the event a customer or counterparty fails to comply with its contractual obligations relating to a financial product and arises primarily from Syntrus Achmea's claims against customers and banks.

Syntrus Achmea runs a credit risk on cash and cash equivalents and recorded receivables.

The risk for cash and cash equivalents is reduced because:

- The cash and cash equivalents are spread across two banks
- Only systemically important banks are used.
- Only banks with at least an Investment Grade Credit Rating are used.

The credit risk on recorded receivables is managed by working on the instructions of parties subject to a prior creditworthiness check.

#### Market risk

Syntrus Achmea runs an indirect market risk due to the fact that income is based on the invested assets belonging to customers. Syntrus Achmea also runs the risk that customers terminate their asset management contract or because market conditions have a negative impact on the investment in mortgages or real estate or the development of real estate.

Syntrus Achmea mitigates the market risk by continuously carrying out activities to develop new products, acquire new clients and by assessing the satisfaction of existing customers.

#### (i) Currency risk

Syntrus Achmea has an extremely limited exposure to currency risk. This limited risk is not hedged. It runs this risk on foreign-currency debtor and creditor positions. The main cash flow where this risk materialises is the management fee on the part of AREA Funds North America, Europe and Asia, which is invoiced in USD. The AREA Funds North America and Europe were liquidated in 2023 and Asia is expected to be phased out in 2024.

#### (ii) Interest-rate risk

Syntrus Achmea runs an interest-rate risk in respect of bank accounts held at Rabobank and ING. This limited risk is not hedged.

#### Solvency risk and capital management

The solvency risk concerns the risk that Syntrus Achmea's equity is insufficient to comply with the statutory requirements in the short and long term. Syntrus Achmea is hereby subject to prudential capital requirements under the Dutch Financial Supervision Act (Wft). In that connection, Syntrus Achmea must comply with the Investment Firms Regulation (IFR), the Investment Firms Directive (IFD), the Internal Capital (and Liquidity) Adequacy Risk Assessment Process (ICARAP) and the Alternative Investment Fund Managers Directive (AIFMD).

ICARAP reporting provides insight into and an assessment of the development of the risk profile, solvency and liquidity during the planning period, both under normal conditions and under stress conditions. This report is available annually to the external supervisory authority. Stress scenarios and other factors are used to examine whether the calculated capital will suffice to absorb exceptional, yet plausible events and risks. Syntrus Achmea takes account of the Achmea capital policy

(Capital Adequacy Policy) which provides that companies under supervision are responsible for compliance with the minimum capital requirements.

## Non-financial risks

### Strategic risk

Strategic risks are risks that could compromise the organisation's objectives. Insight into strategic risks is provided through the annual Strategic Risk Analysis. If the assessment shows that the risks are insufficiently managed, additional measures will be added to the control framework and implemented.

### Operational risk

This concerns the risk of financial damage as a result of internal fraud, external fraud, implementation of processes, outsourcing, product rules & rules of conduct, interruption of operations, damage to physical operating assets or personnel policy and safety. The operational risk is the main risk for Syntrus Achmea as manager.

To reduce this risk, the organisation continuously strives to raise the quality of its services and thus make operational errors less likely to occur. In accordance with Achmea policy, Syntrus Achmea has thus set up a management system: periodic risk assessments, an integral control framework, in which key risks and key controls are included for all themes relating to operational risks. The external auditor assesses the effectiveness of the management each year by means of the ISAE 3402 type II certification. An organisation-wide systematic issue and incident management process has also been set up.

### Concentration risk

This is the risk that a large part of the portfolio is concentrated in a few products and clients. In order to limit this risk, Syntrus Achmea aims to broaden the number of types of products and customers.

### Climate risk

The climate risk concerns the risk that individuals, businesses and society face because of climate change and the related necessary transition to a climate-neutral economy. The climate risks can have a direct impact on our real estate and our mortgage investments, which results in return risks.

We invest in the world of tomorrow by minimising the impact of the built environment on climate change.

At the UN climate summit in Glasgow (COP26, November 2021), 197 countries reached an agreement in which they agreed to do everything possible to limit the global temperature rise increase to at most 1.5 degrees Celsius. This is necessary to prevent us from being confronted with uncontrollable risks. Contributing to a healthy, safe and future-proof society also means that we wish to take our responsibility to realise the global climate objectives. Within the context of our business operations, we strive for climate neutrality in 2030.

## Statutory provisions

### Compliance risks

Syntrus Achmea's compliance policy describes how the compliance risk is managed. Additional policy and schemes are available for specific compliance components such as the integrity and fraud policy, Customer Due Diligence policy, privacy policy, competition policy and the insider trading rules.

To reduce this risk, Syntrus Achmea continuously strives to raise the quality of its services and thus make any failure to comply with laws and regulations less likely to occur. Syntrus Achmea monitors compliance with laws and regulations with an integral control framework. The second line monitors the effectiveness of this framework each quarter.

The Legislation and Regulations committee identifies and monitors new and amended legislation during the year and determines its impact on the organisation. In case of far-reaching consequences for Syntrus Achmea, the committee will recommend that the Syntrus Achmea Executive Board initiate a comprehensive implementation process.

Risk Management & Compliance monitors the implementation of laws and regulations.

Achmea's core values, core qualities and rules of conduct are included in Achmea's General Code of Conduct. The integrity and fraud policy describes how integrity risks in business operations are implemented.

**Mifid II**

Mifid II, the recast Markets in Financial Instruments Directive, is specifically aimed at regulating markets in financial instruments such as units in collective investment undertakings and related services. Syntrus Achmea has an AIFMD permit allowing it to manage real estate for investment institutions, including fund of funds structures and funds that invest in mortgages. Syntrus Achmea also has a permit under the Wft and is authorised to provide the investment services of asset management and investment advice to professional investors. Syntrus Achmea thus complies with several Mifid II requirements mainly aimed at investor protection.

**Systematic Integrity Risk Analysis (SIRA)**

Pursuant to Article 10 of the Prudential Rules (Financial Supervision Act) Decree, insurers and pension funds among others must arrange for a Systematic Integrity Risk Analysis (SIRA). Syntrus Achmea performs this analysis each year. If this shows that residual risks are being inadequately reduced, additional controls are implemented. As the SIRA is also linked to the control framework, key risks and key controls are tightened where necessary.

**Other****Customer Due Diligence**

As an asset manager, it is important for Syntrus Achmea to have a clear understanding of the parties it does business with, thus contributing to a broader social interest: the prevention of money laundering and the financing of terrorism.

As a result of shortcomings identified internally, the Customer Due Diligence (CDD) programme was started in 2020 to ensure that Syntrus Achmea is compliant with the CDD laws and regulations. In 2021 and 2022, the programme resulted in, among other things, a recalibrated CDD policy and the set-up of the CDD application used to implement and document CDD activities. In 2023, the programme was continued aimed at a (further) demonstrable control of CDD risks. A plan of approach was formulated for this purpose which also includes improvement actions pursuant to the audit report from Internal Audit. In 2023, improvements were implemented in demonstrable control in accordance with this plan.

To manage CDD risks, it is necessary to monitor the customer for as long as the relationship or cooperation continues. The following activities are performed under that framework:

- Performance of a customer due diligence before the start of the services
- Performance of transaction monitoring with respect to (incoming) payments
- Performance of a PEP and sanctions list screening when establishing a new relationship and with respect to outgoing payments
- Performance of regular PEP and sanctions list screening on existing relationships
- Performance of regular and 'Event-Driven' reviews of the existing relationships.

Syntrus Achmea tests compliance based on the CDD Control Framework. This Framework defines key controls within the theme of 'Know Your Customer' on the basis of which it is assessed whether Syntrus Achmea's internal control for compliance with CDD laws and regulations is in order.

In 2022, the Dutch Authority for the Financial Markets (AFM) initiated an investigation at Syntrus Achmea within the context of the Money Laundering and Terrorist Financing Act (Wwft) for the purpose of gaining insight into the report of unusual transactions by Syntrus Achmea to the Financial Intelligence Unit (FIU) in 2018 up to and including 2022. In addition, the AFM started an investigation in August 2023 into compliance with the Wwft and the Sanctions Act by Syntrus Achmea. Syntrus Achmea complied in time with the AFM's requests for information. The AFM may impose an enforcement measure. Both investigations are ongoing.

**Privacy**

Syntrus Achmea processes personal data every day. This includes granting mortgages, conducting property letting administration, sending mailings to (potential) customers and submitting offers. In order to protect the privacy of all parties involved, the processing of personal data takes place with due care in accordance with laws and regulations in the area of personal data protection. The privacy project was launched in 2021 to improve demonstrable control.

Syntrus Achmea tests compliance based on the Privacy Control Framework and the key controls defined in it. Improvements were made to demonstrable control in 2022 and 2023. The remaining points for attention will be followed up in 2024.

### ISAE 3402

Each year, 1st line Risk Management & Compliance assesses whether the ISAE control matrix is still sufficiently in line with Syntrus Achmea's activities and the wishes of customers. The independent external accountant issued assurance reports to the ISAE 3402 Type II reports for 2023, in which the structure, existence and effective operation of the control measures for processes outsourced to Syntrus Achmea have been assessed.

### Rent increase clause

A property sector-wide investigation is currently under way into the legal tenability of rent increase clauses in liberalised leases applied by asset managers. Recent judgements show that subdistrict courts have found the terms investigated to be in breach of the European Directive on unfair terms in consumer contracts from 1993. The investigation is still ongoing. The Supreme Court will provide more clarity in this regard in due course. We will continue to monitor developments closely.



## Outlook for 2024

### Introduction

In the Netherlands, Syntrus Achmea is a leading asset manager in real estate and mortgages with a broad range of products. The Executive Board wants to expand its position in real estate and mortgage investments in 2024. In line with Achmea's strategy of 'The Sum of Us' and in line with its purpose 'Sustainable Living Together', Achmea considered opportunities to capitalise on the commercial strength of its various business units. Work on recalibration of the ODV strategy was therefore carried out under the name 1ODV. The current Syntrus Achmea company is expected to be divided in an operational sense in 2024 as a result of which the real estate business will continue as an independent business unit under the name Achmea Real Estate and the mortgage business together with Achmea Bank and Centraal Beheer Financiële Diensten will form the Mortgages and Financial Services cluster. This should among other things increase and accelerate the execution power, commercial power, synergy and cooperation with the ODV chain, as a result of which a stronger growth is expected for the mortgage business and for the real estate business than can be realised in the current structure.

### General developments

The macroeconomic outlook shows a mixed picture. Economic growth in the Netherlands is expected to remain limited in 2024 to 0.3% and 1% in 2025. Inflation is though decreasing as a result of the

series of interest rate hikes by the European Central Bank. The wage increase for 2024 is above inflation, partly due to staff shortages in many sectors, partly due to an ageing population. This means that purchasing power is maintained for the time being. Households continue to spend money. The structural shortage of houses means that prices in the housing market are increasing again.

The Dutch economy traditionally depends strongly on developments abroad. Interest rate hikes that were implemented internationally across a broad front are slowing down global economic growth. It is expected that world trade will barely grow in the coming years. The wars in Ukraine and the Middle-East and increasing trade barriers put further pressure on trade. This means that Dutch exports will also grow to a limited degree, which is at the expense of prosperity. In addition, uncertainty about international conflicts can also have an impact on the value development of real estate, as can the uncertainty about the American and European election results.

### The customer is the focus of the business operations

The focus is on customers and is represented on the various bodies: the Supervisory Board, the customer council, the Advisory Boards and via communication in one-on-one customer relationships. In order to translate customer wishes even more effectively into the composition and performance of the portfolio, working with multidisciplinary customer teams is a condition for offering added value. The improvements in returns, both social and financial, contribute to the further strengthening of relationships with our customers and result in an increase in customer

satisfaction. The 2023 customer satisfaction survey showed that with a mark of 7.8 (2022: 8.0) we have a solid basis, but that there is also room for improvement in the coming years.

### ESG

Nowadays, investments are also tested against ESG criteria in which connection a social impact is determined in addition to the financial result. Whereas until recently the focus was mainly on energy saving, themes such as social impact, climate adaptation and circularity are now increasingly receiving attention.

Providing insight into the impact of property and mortgage investments will become even more important in the coming years. Changing laws and regulations means that institutional investors will have to report more uniformly on ESG and improve transparency. The European Union encourages investors by means of these changes and additional reporting requirements to make their investment portfolios more sustainable at an accelerated rate.

This anticipates an expected tightening of the various sustainability standards of the Energy Performance Building Directive (EPBD), which will apply to all asset classes.

## Mortgages

The decline in house prices that started in 2022 continued in the first half of 2023 whereafter the fall in prices levelled off towards the end of 2023. Whether an increase will materialise in 2024 is hard to predict, but the factors that have an impact on house prices are positive at this time.

Therefore the rise in mortgage rates seems to be largely behind us. In addition, the tight labour market gives households income security and the confidence to purchase a house. The significant wage growth also gives consumers confidence while providing more room in mortgage debt. And finally, there is persistent scarcity in the housing market. The most recent forecast from the Ministry of the Interior shows that the housing shortage will increase to almost 400,000 houses in 2027 (4.7% of the existing stock). The combination of a levelling-off in rising mortgage interest rates, more secure and increased financial possibilities of households and the increasing housing shortage may translate into price increases in the housing market.

Sales in the mortgage market reached € 81 billion in 2023. We expect an increase to € 100 billion for 2024. This is still a significant decrease when compared to the € 163 billion in 2021 and the € 158 billion in 2022.



**ESG remains an important issue for investors in mortgages in 2024. We also see that sustainability plays an increasingly important role in mortgage applications among consumers.**

In addition, most of the expected new provisions consist of increases, second mortgages and consumers who exercise the 'bring along' option.

ESG remains an important issue for investors in mortgages in 2024. We also see that sustainability plays an increasingly important role in mortgage applications among consumers. The mortgage business focuses on growth in assets under management, efficiency, digitisation and expansion of services while taking account of our ESG objectives.

## Real estate

### Residential

Despite the changed interest climate and the increased regulations, Dutch rented houses remain an interesting investment for institutional investors. The increased interest rates caused the indirect return to decrease similarly to other real estate categories. Future regulations, increased building costs and increasing interest rates create more uncertainty in the market in the short term. Many investment portfolios are overweight in real estate due to the decreasing share and bond prices, which means that less can be purchased. Fortunately, Syntrus Achmea has not yet suffered much from exit requests within the property funds and we can continue to invest on behalf of several customers.

The demand for rented housing on the part of tenants remains high. The scarcity in the housing market results in a structural user demand. For the coming period, we expect a continued high demand for investor-owned rental housing by households and continued low vacancy rates in housing portfolios. Rented houses create a long-term stable direct return with a very low vacancy risk, especially in the relatively affordable rent categories. In addition, investors in rented houses have a social impact by focusing on



**In addition, investors in rented houses have a social impact by focusing on sustainability and affordability and by reducing the housing shortage.**

sustainability and affordability and by reducing the housing shortage.

Syntrus Achmea's property portfolio is relatively sustainable and includes many houses with energy label A. This means that a large part of the investments to make real estate more sustainable have already been implemented. In addition, Syntrus Achmea is surveying the possibilities for introducing a new fund for making outdated houses more sustainable. The long-term prospects for the housing market are favourable as a result of a combination of Syntrus Achmea's relatively sustainable real estate portfolio and the demographic developments and the related building production. The assets under management will show an increase in due time and the recovery of the share and bond prices will result in new mandates from Syntrus Achmea customers because the overweighting of real estate will no longer exist at that time.

### Care property

Care property is interesting for institutional investors due to its relatively low risk and attractive returns. It also offers opportunities for ESG objectives concerning sustainability and social structures due to the ageing population. Rental income is stable, with limited sensitivity to economic fluctuations and low vacancy risk.

The political focus on living at home for longer and decentralised first-line care ensures this stability in the long term.

There are nevertheless several points for attention. The regulation of the housing market limits maximum rent and rent increases for rented houses, including life-course-proof houses. However, there is an exception for care facilities to which additional points are awarded in the housing valuation system. Political uncertainty concerning this regulation is expected to persist in the short term. At the same time, there is political consensus to address the housing shortage, with a growing focus on housing for the elderly. Many care institutions will confront financial challenges in the coming years, which means that caution is called for in case of letting not on market terms. For the time being, investors should take account of limited transaction volumes because supply and demand are not yet in line with each other due to high construction costs and higher return requirements.

### Retail

The retail sector was the real estate sector that performed best over the past year. This sector is also well positioned for the future. This is due to the fact that the value of retail property already underwent a correction previously, while the values in the other sectors are now decreasing more sharply. As from 2024, consumers will be able to spend more, uncertainty in the retail market will decrease and it is expected that the capital market will stabilise. This will cause the demand for retail property to increase. The institutional retail market is becoming increasingly specialised, however. The polarisation in an already fragmented market will continue in the coming period in which connection the outlook is favourable for the premium segment of the market. The focus here is mainly on inner cities in the G4 and district shopping centres with a strong food component.

There are several developments that must be taken into account. Firstly, the operating results of some retailers are under pressure due to increasing operating costs, financing burden, tax debts and decreasing retail trading volumes. This dynamic impacts both large established retailers and smaller players and creates additional uncertainty in the market and affects both the high street and district shopping centres. Secondly, online food sales are increasing. A parallel can be drawn with earlier developments in the non-food market, where an omni-channel strategy is now the rule. In time, this could have an impact on the demand for supermarkets, where online sales are still developing apace. Thirdly, changes in consumer behaviour are important. Targeted and efficient shopping is becoming more popular, recreational shopping is becoming less popular. Sustainable business remains important, which may require short-term investments to adapt buildings. Statutory rules may be tightened. An energy label is already mandatory when signing new leases. The impact on the institutional market is limited, however. Almost all properties already hold a green energy label within the Achmea Dutch Retail Property Fund. After all, this is also an important pillar for institutional investors.

### Organisational development

Employees make the difference for our customers. An innovative business climate is required to stay ahead of the competition. The challenge is to encourage entrepreneurship without losing sight of the 'checks and balances'. Changes on the customer's side require an enterprising, innovative culture that challenges employees to improve both themselves and their services.

In 2024, we will continue to invest in the culture, competencies (training, new talent) and structure (including lean & mean and countervailing power). Achmea has an unlimited training budget. Expert employees are

one of the building blocks and the development of our employees is an important theme. Strengthening the expertise and competencies of our employees will be a key objective in the coming years. It is important to be an attractive employer, especially in view of the tight labour market.

### Financial

The large change programmes form the basis for realising an increase in the result and return in the medium term. They form the basis for the growth of portfolios and more efficient business operations and thus a reduction in operating costs.

### Real ConneQt

The RealConneQt programme started in 2023. Real ConneQt comprises making the property activities future-proof by means of effective and efficient processes. The programme also facilitates the strategic (growth) objectives of the property business and compliance with laws and regulations. This means that it is necessary to renew the data and IT landscape.

The programme will be continued in 2024. An initial implementation is planned for this year, during which a small part of the portfolio will be migrated to the new system architecture.

### Operational division Syntrus Achmea

Following the anticipated granting of the permit for the Achmea Mortgage Funds, continuous attention will be devoted in 2024 to the operational implementation of the operational division of Syntrus Achmea. There is a solid programme in which the different steps are defined.

## Events after the balance sheet date

No events occurred after the balance sheet date that are relevant within the context of the 2023 annual report.

## In Control Statement

### Responsibility

As Syntrus Achmea's Executive Board, we are responsible for establishing and maintaining effective internal risk management and control systems in our organisation. These systems are intended to control the significant risks to which Syntrus Achmea is exposed. They cannot absolutely ensure that we will achieve our objectives, nor can they entirely prevent all material misstatements, losses, fraud and violations of laws and regulations.

### Assessment

In order to bear our responsibility, we analysed and assessed the relevant risks and control environment of our organisation in a systematic manner during the reporting year 2023. Where necessary, we have taken additional actions. We have based these actions on the Achmea Integrated Risk Management Framework (IRMF). For risks that can directly lead to a material misstatement in the financial reporting, we have assessed the effective operation of the risk management and control systems.

## Opinion

The Syntrus Achmea Executive Board is of the opinion that the Risk Management & Compliance reports for the first up to and including the fourth quarter of 2023 provide a faithful representation of the main net risks and of the effective operation of Syntrus Achmea's internal control system.

Amsterdam, 22 March 2024

Syntrus Achmea Real Estate & Finance B.V.'s Executive Board  
Mascha Hendrickx, Boris van der Gijp and Hikmet Sevdican

# Supervisory Board



# REPORT OF THE SUPERVISORY BOARD

## Composition of the Supervisory Board

The Supervisory Board (hereinafter: the Board) consists of Hans Snijders (Chairman), Hein Brand, Fieke van der Lecq and Daphne de Kluis.

## Duties

### Meetings with Executive Board

Last year, the Board met eight times in the presence of the Executive Board. The Board conducted a closed meeting immediately before the meeting. The meeting is evaluated after it has ended which involves a review of the meeting process, the content and dynamics of the meeting and the effectiveness of its own contribution.

### Syntrus Achmea strategy

The Board conducted intensive consultations with the Executive Board concerning strategic decisions that have a substantial impact on Syntrus Achmea's future. The main strategic decision for Syntrus Achmea as a whole in 2023 concerns the impact of Achmea's new 1ODV strategy (Old-Age Provisions) for the Syntrus Achmea company. In keeping with Achmea's 'The Sum of Us' strategy and in line with the objective of 'Sustainable Living Together', Achmea considered the possibilities for increasing the commercial power of the various business units, among other things.

Following decision-making within the Achmea Executive Board and following completion of the employee participation process, Achmea

decided at the end of 2022 to unbundle the current Syntrus Achmea business as a result of which Real Estate will continue as an independent cluster and Mortgages will form the Mortgages & Financial Services cluster together with Achmea Bank. Pursuant to this operational division, a new AIFMD permit was applied for with the AFM by the middle of 2023 for part of the mortgage business under the name Achmea Mortgage Funds. The operational division can be operationalised after the permit has been granted.

## Mortgages

In its meetings with the Executive Board, the Supervisory Board closely coordinated in regard to the macroeconomic developments including the supply and demand for products, the wage-price spiral and the geopolitical tensions in particular. These developments resulted in strong inflation and as a consequence thereof increasing interest rates and rising prices in the cost of living for potential mortgagors.

The persistently high interest rates have a dampening effect on the assets under management (AUM). Although the impact on the production of mortgages across all of 2023 is still limited, last year also showed that the market demand for mortgages remained low.

In addition, several meetings focused on the progress of the Max-1 automation project and the successful migration of the existing mortgage portfolio was completed in June 2023.

## Real estate

In its consultations with the Executive Board, the Supervisory Board also coordinated closely regarding the consequences of inflation and interest rates on the real estate business. Falling share prices have led some institutional investors to consider illiquid investments. In addition, acquisition and development are limited by high construction costs. Furthermore, there is a continued challenge in the realisation and start-up of new construction projects due to the combination of increased construction costs, increased interest rates and the nitrogen problems.

Real ConneQt, which is the long-term programme for further digitisation and optimisation of the real estate business, was discussed with the Executive Board during several meetings. Making the property activities future-proof by means of effective and efficient processes, and facilitating the strategic (growth) objectives demand a necessary renewal of the current IT systems of the Syntrus Achmea real estate business by means of the Real ConneQt programme. Syntrus Achmea started the implementation of this programme in 2023. An important step towards becoming a distinctive organisation with data-driven services.

The Board also talked to the Executive Board concerning the possible impact of judgements of the Subdistrict Courts in Amsterdam and Rotterdam concerning competitors with respect to declaring the rent increase clause void. The Executive Board and the Board are monitoring developments closely.

### CDD and Privacy

In 2023, the Board also closely monitored the CDD project. In 2023, CDD received increased attention from the Board. The Board held additional meetings with the Executive Board for this purpose, during which the progress of the improvement actions in line with the Mortgages and Real Estate Action Plan was discussed with the Executive Board. The subject of Privacy once again received extra attention from the Board.

### Strategy

The Board monitored the progress of the strategy. Besides the topics mentioned above, the performance of both the real estate and mortgage funds was an important topic in the meetings. The larger IT projects, Max-1 and Real ConneQt, featured prominently in the meetings. As explained above, the proposed decision to split up Syntrus Achmea was the main strategic theme in 2023.

### Interaction with the shareholder

In addition to her position as supervisory director of Syntrus Achmea, Daphne de Kluis simultaneously holds the position of referent of the Achmea Executive Board. She performs this double role with due care. Coordination with the Achmea Board largely takes place via the RVB referent. Short lines of communication contribute to a constructive and fruitful cooperation between the Board and the shareholder.

### Customer council

The member of the Board appointed on the customer council's recommendation, Fieke van der Lecq, attends a customer council meeting at least once a year.

### Consultation with the external auditor

In 2023, the full Board consulted once in the presence of the external auditor. The company's financial statements, the audit opinion of the independent auditor and the audit report concerning Syntrus Achmea were discussed during this meeting. Furthermore, the external auditor regularly attended meetings of the Audit & Risk Committee and there is an annual meeting exclusively with the committee members. The Board looks back on a sound cooperation.

### Committees

The Board has four committees: the Nomination and Remuneration Committee (NRC), the Audit & Risk Committee (ARC), the Real Estate Committee (VGC) and a Mortgages Committee (HC).

The Nomination and Remuneration Committee consists of Hein Brand (chairman) and Hans Snijders (member). The committee met three times during the reporting year in the presence of the chairman of the Executive Board. The remuneration policy, strategic personnel planning and the filling of the vacancy of acting Director Mortgages among things were discussed during these meetings.

The Audit & Risk Committee consists of Fieke van der Lecq (chairperson) and Daphne de Kluis (member). The committee met six times during the reporting year, in the presence of acting chair of the Executive Board and Finance Director Mascha Hendrickx, the Risk & Compliance manager, the Compliance Officer and a representation of Achmea's Internal Audit. The external auditor also attended periodically.

The following subjects among others were discussed during the committee meetings: financial quarterly reporting, quarterly reporting concerning

Risk & Compliance, CDD, ICARAP, dividend proposals, rolling forecasts, privacy and audit reporting.

The Real Estate committee consists of Hein Brand (Chairman) and Hans Snijders (member). The committee met two times during the reporting year in the presence of the Real Estate Director. The property themes such as market developments, portfolio plans, foreign investors, large change projects such as Real ConneQt and the impact of the operational division of Syntrus Achmea on the real estate business were discussed more in-depth during these meetings.



The Mortgage committee consists of Hein Brand (chairman) and Hans Snijders (member). The committee met once during the reporting year in the presence of the Director Mortgages. Mortgage themes such as market developments, the mortgages change programme, large change projects such as Max-1 and the impact of the operational division of Syntrus Achmea on the mortgage business were discussed more in-depth during these meetings.

## Performance

### Permanent education

In addition to substantive themes discussed in the regular Supervisory Board meetings, the Board participated in 2023 in the in-company knowledge session on the Wwft in the presence of the Executive Board.

### Self-evaluation

The Board performed a self-evaluation at the start of 2024. The quality of the procedural and relational aspects of the team's functioning, effectiveness and cooperation with each other were discussed. The implementation of the Board's various roles was evaluated as was the cooperation and relationship with the Executive Board. Overall, the Board functions efficiently and effectively. The Board subsequently shared the main findings and conclusions with the Executive Board.

## Financial statements 2023

The Board requests special attention for the results for 2023 set out below.

Firstly, major investments were made in CDD and the actions in line with the improvement plans were followed up by the Executive Board with the highest urgency.

The financial results are lower than expected for 2023. This is mainly caused by disappointing market conditions, which resulted in a considerable decrease in the mortgage provision market and amortisations of the real estate portfolio. Despite these market conditions, Syntrus Achmea was able to maintain its market share in the mortgage provision market and realise a net growth in AuM within real estate. The reduced financial results means that so far no dividend distributions have been made.

The following are also notable = the milestones achieved in the mortgage business, whereby the Max-1 project was completed successfully in June 2023. This follow-up step in the further professionalisation of the mortgage activities is an important foundation for growth and success in the mortgage domain. One wonderful achievement is that we successfully introduced the Sustainable Living Convenience platform whereby we took a great deal of work and concerns away from our customers in connection with their sustainability wishes and introduced loan components to reward making the houses more sustainable by means of an interest rate discount.

The Board is also proud of the Real Estate business' new ESG strategy in which it is implementing its objectives in a concrete manner. The Board is also proud of the more than 600 additional homes made more sustainable in 2023 and the achievement of 52% CO<sub>2</sub> reduction since 1990.

Large investments were made in 2023 in the developments, some of which were recalled above. Profit before taxes is therefore € 9.089 million in 2023. In view of the investments made in 2023 and foundation that was strengthened as a result and the new plans for 2024, the Board is confident that both Real Estate and Mortgages in the new separated form will conclude the year in 2024 with a sufficient return.

In accordance with the recommendation of the Audit & Risk Committee, the Board advises the shareholder to adopt the 2023 financial statements as drawn up by the Executive Board.

## A word of thanks

The Board thanks Bruno Oudega who left Syntrus Achmea on 1 December 2023 for his energy, commitment and results achieved for the Syntrus Achmea mortgage business over the past four years. The Board wishes Oudega success in his new position.

At the same time, the Board thanks Hikmet Sevdican for temporarily holding the position of Director Mortgages since 11 December 2023. The Board also thanks the customers of Syntrus Achmea for their trust.

And finally, the Board thanks the Executive Board, management and all employees of Syntrus Achmea for their commitment over the past year.

Amsterdam, 22 March 2024

### Supervisory Board Syntrus Achmea B.V.

Hans Snijders, Hein Brand, Fieke van der Lecq and Daphne de Kluis

## Composition of the Supervisory Board<sup>4</sup>

The Board consists of four members.

Name	Nationality	Gender	Position	Term	Year of first appointment	Current term
Hans Snijders	Dutch	Male	Chairman	3rd	2014	2022-2024
Hein Brand	Dutch	Male	Member	3rd	2015	2023-2025
Fieke van der Lecq*	Dutch	Female	Member	3rd	2015	2023-2025
Daphne de Kluis	Dutch	Female	Member	1st	2021	2021-2025

\* Nominated by the Syntrus Achmea Real Estate & Finance customer council

Following careful assessment of the current composition of the Supervisory Board and the competencies on the Board against the background of the current requirements, the committee issued a positive opinion to the Supervisory Board regarding the reappointment of Mr Brand and Ms Van der Lecq for a period of 2 years. It was substantiated additionally in this connection that reappointment for two years after a period of eight years is important to safeguard continuity with a view to the proposed operational division of Syntrus Achmea and the specific knowledge and experience on the Supervisory Board and the Audit & Risk Committee.

Following nomination by the Supervisory Board, Mr Brand and Ms Van der Lecq were appointed for a period of two years by the general meeting effective as from 19 April 2023.



### Hans Snijders

**Chair of the Supervisory Board,  
Member of the Nomination and Remuneration Committee and  
Member of the Real Estate Committee and Mortgage Committee**

Hans Snijders (1956) has broad experience in managing companies in the financial and business services sector. He was division chairman of Syntrus Achmea and Chief Executive of Achmea Investment Management, member of Ordina's Executive Committee and member of the General Management of Cadans and Relan. Hans Snijders is also chairman of the Supervisory Board of ContextLogic B.V., director of Stichting Bedrijfstakpensioenfondsvoor de Bouwnijverheid, member of the Supervisory Board of Achmea Bank N.V., and member of the Supervisory Board of Rabobank Helmond Peel Noord.



### Hein Brand

**Member of the Supervisory Board,  
Chair of the Nomination and Remuneration Committee and  
Chair of the Real Estate Committee & Mortgage Committee**

Hein Brand (1955) has broad international experience in the real estate sector. He held various positions during his career at ING, most recently as CEO of ING Real Estate. Hein Brand is also a member of the Supervisory Board of Wereldhave, a member of the Supervisory Board of Cocon Vastgoed B.V., a member of the Advisory Board of Nieuwgeluk Beheer B.V. and a member of the Advisory Board of Scheybeeck Groep.

<sup>4</sup> The reference date of the overview of (ancillary) positions is 22 March 2024



**Fieke van der Lecq**  
**Member of the Supervisory Board and**  
**Chair of the Audit & Risk Committee**

Fieke van der Lecq (1966) is a Professor of Pension Markets at the VU School of Business and Economics and government commissioner pensions transition. She is also a member of the Supervisory Board of Achmea Investment Management, member of the Supervisory Board of Arriva Nederland, member of the Supervisory Council of Air Traffic Control The Netherlands, member of the audit committee of Stichting Pensioenfonds ABP and chair of the audit committee of Stichting Pensioenfonds IBM & Kyndryl Nederland. She is also the chair of Stichting Monuta. She has also been nominated for Syntrus Achmea's customer council.



**Daphne de Kluis**  
**Member of the Supervisory Board and**  
**Member of the Audit & Risk Committee**

Daphne de Kluis (1969) was appointed as member of the Achmea Executive Board in October 2021. She studied Labour and Organisational Psychology at the University of Amsterdam. She was employed by ABN Amro in 1998. After various positions within Commercial Clients and Corporate & Institutional Banking, she became Global Head of Debt Solutions in 2009 and Global Head of Financial Restructuring & Recovery in 2013. She was appointed as CEO Commercial Banking in 2017 and she became a member of the ABN Amro Executive Committee. Daphne de Kluis has been responsible for Pension & Life division, the Achmea Pension Services division, Achmea Investment Management, Achmea Bank and Syntrus Achmea since 31 December 2022. And on 12 October 2021, she became a member of the Supervisory Board of Achmea Bank N.V., member of the Supervisory Board of Syntrus Achmea Real Estate & Finance B.V. and member of the Supervisory Board of Achmea Investment Management B.V. She is also director of Achmea Pension & Life Insurance N.V.

**Equitable distribution composition of the Supervisory Board**

Syntrus Achmea strives for an equitable distribution of men and women on the Supervisory Board. The customary target is at least 30% male and at least 30% female. The Supervisory Board currently consists of 50% male and 50% female.

# Consolidated Financial Statements 2023



FINANCIAL  
STATEMENTS

# CONSOLIDATED FINANCIAL STATEMENTS 2023

## CONSOLIDATED BALANCE SHEET ON 31 DECEMBER 2023 (AMOUNTS X € 1.000)

	Notes	31-12-2023	31-12-2022
<b>Assets</b>			
<i>Fixed assets</i>			
<b>Intangible fixed assets</b>			
Software investments	1	398	1.806
<i>Current assets</i>			
<b>Receivables, prepayments and accrued income</b>			
Trade receivables	2	588	593
Fees to be invoiced	3	9.731	7.853
Receivables from group companies	4	3.301	3.024
Other receivables	5	2.448	143
Prepayments and accrued income	6	0	42
		16.068	11.655
Cash and cash equivalents	7	60.003	55.323
<b>Total</b>		<b>76.469</b>	<b>68.784</b>

	Notes	31-12-2023	31-12-2022
<b>Equity</b>			
<i>Group equity</i>			
Share capital	8	18	18
Share premium	9	20	20
Other reserves	10	53.921	46.909
Unappropriated result for the financial year	11	6.723	7.012
		<b>60.682</b>	<b>53.959</b>
<b>Liabilities</b>			
<i>Provisions</i>			
Other provisions	12	0	626
		<b>0</b>	<b>626</b>
<i>Current liabilities</i>			
Payables to group companies	13	5.221	4.736
Taxes	14	980	1.863
Fees invoiced in advance	15	2.579	4.322
Accruals and deferred income	16	7.007	3.278
		<b>15.787</b>	<b>14.199</b>
<b>Total</b>		<b>76.469</b>	<b>68.784</b>

## CONSOLIDATED FINANCIAL STATEMENTS

## SEPARATE FINANCIAL STATEMENTS

## CONSOLIDATED INCOME STATEMENT FOR 2023 (AMOUNTS X € 1.000)

	Notes	2023	2022
Real estate management fees		41.727	42.998
Mortgages management fees		45.962	45.523
Group companies management fees		41.123	39.978
Development fees		3.217	4.922
International real estate management fees		5.209	5.474
Acquisition and disposal fees		54	335
Fees discount		-2.288	-2.224
<b>Total revenue</b>		<b>135.004</b>	<b>137.006</b>
Employee expenses	17	-61.197	-67.751
General administrative expenses	18	-66.120	-59.789
<b>Total expenses</b>		<b>-127.317</b>	<b>-127.540</b>
<b>Operating result</b>		<b>7.687</b>	<b>9.466</b>
Interest expenses		1.402	-21
<b>Profit before tax</b>		<b>9.089</b>	<b>9.445</b>
Corporate income tax	19	-2.366	-2.433
<b>Profit after tax</b>		<b>6.723</b>	<b>7.012</b>

## GECONSOLIDEERD OVERZICHT VAN HET TOTAALRESULTAAT OVER 2023 (AMOUNTS X € 1.000)

	Notes	2023	2022
Profit after tax		6.723	7.012
<b>Total result</b>		<b>6.723</b>	<b>7.012</b>

## CONSOLIDATED FINANCIAL STATEMENTS

## SEPARATE FINANCIAL STATEMENTS

## CONSOLIDATED CASH FLOW STATEMENT FOR 2023 (AMOUNTS X € 1.000)

	Notes	2023	2022
<b>Cash flow from operating activities</b>			
Operating result		7.687	9.466
Adjusted for: Depreciation/amortisation costs			
Afschrijvingskosten	1	1.408	9.147
		<b>9.095</b>	<b>18.613</b>
<i>Changes in operating capital:</i>			
Change in receivables		-5.715	1.732
Change in current liabilities		2.890	1.375
		<b>-2.825</b>	<b>3.107</b>
Change in provisions Corporate income tax	12	-626	-274
Vennootschapsbelasting	19	-2.366	-2.433
<b>Cash flow from business operations</b>		<b>3.278</b>	<b>19.013</b>
Interest charges		1.402	-21
<b>Cash flow from operating activities</b>		<b>4.680</b>	<b>18.992</b>

	Notes	2023	2022
<b>Cash flow from investment activities</b>			
Software investments/disposals	1	0	0
		<b>0</b>	<b>0</b>
<b>Cash flow from financing activities</b>			
Dividend payment		0	0
<b>Cash flow from financing activities</b>		<b>0</b>	<b>0</b>
<b>Change in cash and cash equivalents</b>		<b>4.680</b>	<b>18.992</b>
Cash and cash equivalents as at 1 January	7	55.323	36.331
Cash and cash equivalents as at 31 December	7	60.003	55.323
<b>Change in cash and cash equivalents</b>		<b>4.680</b>	<b>18.992</b>

## MOVEMENT SCHEDULE OF CONSOLIDATED EQUITY (AMOUNTS X € 1.000)

	Accruing to shareholders				Total
	Share capital	Share premium	Other reserves	Undistributed earnings	
<b>Balance as at 1 January 2022</b>	<b>18</b>	<b>20</b>	<b>45.449</b>	<b>1.460</b>	<b>46.947</b>
Addition to 2021 result	0	0	1.460	-1.460	0
2022 result	0	0	0	7.012	7.012
<b>Balance as at 31 December 2022</b>	<b>18</b>	<b>20</b>	<b>6.909</b>	<b>7.012</b>	<b>53.959</b>
Addition to 2022 result	0	0	7.012	-7.012	0
2023 result	0	0	0	6.723	6.723
<b>Balance as at 31 December 2023</b>	<b>18</b>	<b>20</b>	<b>53.921</b>	<b>6.723</b>	<b>60.682</b>

## Notes to the consolidated financial statements

## General information

## Reporting entity

Syntrus Achmea Real Estate & Finance B.V. ('the company'), with its registered office in Amsterdam, was incorporated on 31 December 1998 (Chamber of Commerce no. 33306313). The company's object is to invest funds entrusted to it, at the expense and risk of third parties, in real estate (directly and indirectly) and mortgage loans. The company's place of business is MediArena 5-8, Amsterdam-Duivendrecht.

The company is part of the Achmea Group, headed by Achmea B.V. As the group head, Achmea B.V. has fully included the company's figures in its consolidated financial statements. Achmea B.V. holds 100% of the shares in the company.

The company holds 100% of the shares of Syntrus Achmea Hypotheekdiensten B.V. ('SAH') and of Syntrus Achmea Verzekeringsdiensten B.V. ('SAV'). SAH holds 100% of the shares of Attens Hypotheken B.V. ('Attens') and Achmea Hypotheken B.V. ('AH'). The company is the group head of both subsidiaries and of the subsidiaries and has fully included the figures of SAH, SAV, Attens and AH in its consolidated financial statements.

Unless stated otherwise, the financial statements are presented in thousands of euros.

## Reporting period

The financial year ran from 1 January to 31 December 2023.

## Continuity

The financial statements have been prepared on a going-concern basis.

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## General accounting principles

### Reporting requirements applied

The company's Executive Board has prepared the 2023 consolidated financial statements, including the comparative figures for 2022, in conformity with the International Financial Reporting Standards, including the International Accounting Standards and Interpretations endorsed by the European Union ('EU-IFRS'), and in accordance with Part 9, Book 2 of the Dutch Civil Code.

### Accounting policies used to prepare the financial statements

Unless stated otherwise, items in the financial statements are measured at historical cost.

### Functional currency and presentation currency

Items in the company's financial statements are shown using the currency of the primary economic environment in which the entity operates (the 'functional currency'). To determine the functional currency, the currency of the entity's main cash flows is taken into account. On this basis, the euro has been used as the functional currency. The financial statements are shown in euros. The presentation currency is the same as the company's functional currency.

### Foreign currency

Transactions in foreign currencies are converted at the exchange rate applicable on the transaction date. Monetary assets and liabilities denominated in foreign currencies are converted on the balance-sheet date to the functional currency at the exchange rates applicable on that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are converted to the functional currency at the

exchange rates that applied on the dates when the fair values were determined. Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are not converted again. Exchange differences are recognised in the income statement.

### Estimates and underlying assumptions

In preparing these consolidated financial statements, the company uses assumptions and estimates that affect the application of accounting policies and the reported value of assets, liabilities, revenue and expenses. The probability that future transactions or events with a certain financial consequence will occur within a certain period is considered. There is no absolute certainty that actual results will not differ materially from these estimates.

Complex models or subjective decisions increase the estimation uncertainty, especially in relation to intangible fixed assets, provisions, variable remuneration and accounts receivable.

In 2023, the company made a change in accounting estimate in relation to revenue recognition for the supervision of development projects in accordance with IFRS 15. This has changed the timing of revenue and cost recognition as at 1 January 2023. The impact of this change in accounting estimate on 2023 is set out in the table below:

(AMOUNTS € X 1.000)

	2023
Revenue	-258
Costs	125
	<b>-133</b>

### Changes in accounting policies

The company has consistently applied the accounting policies set out in the section 'Accounting Policies' for all periods included in these consolidated financial statements.

### Other standards

The following changes to standards apply as from 2022. These changes to the standards and interpretations do not have a significant impact on the company's consolidated financial statements:

- IAS 1 - Presentation of Financial Statements - Change to the disclosure of accounting policies;
- IAS 8 - Accounting policies, changes in accounting estimates and errors - change definition of estimates;
- IAS 12 - Income taxes - change in deferred tax related to assets and liabilities arising from a single transaction.

There are no changes to policies that become effective as from 2023.

## CONSOLIDATED FINANCIAL STATEMENTS    SEPARATE FINANCIAL STATEMENTS

### Accounting policies

#### A. Consolidation principles

The consolidation includes the financial data of the company, its subsidiaries and other legal entities over which it can exercise dominant control or does exercise central management. Subsidiaries and other legal entities over which it can exercise dominant control or does exercise central management are included in the consolidation at 100% (full consolidation method).

The companies included in the consolidation are:

- Syntrus Achmea Hypotheekdiensten B.V., Amsterdam (100%)
- Attens Hypotheken B.V., Amsterdam (100%)
- Achmea Hypotheken B.V., Amsterdam (100%)
- Syntrus Achmea Verzekeringsdiensten B.V., Amsterdam (100%)

Subsidiaries are included in the consolidated financial statements from the date that control or significant influence starts until the date on which it ends.

Intra-group items and any unrealised gains or losses on these transactions are eliminated when the consolidated financial statements are prepared.

#### B. Intangible fixed assets

Development costs directly attributable to designing and testing identifiable and unique software products controlled by the company are recognised as intangible fixed assets if the following conditions are met:

- It is technically feasible to complete the software so that it is available for use.
- There is a possibility to use or sell the software.

- It can be shown that the software products are likely to generate future economic benefits.
- Adequate technical, financial and other resources are available to use the software products.
- The costs attributable to the software products can be reliably determined.

Attributable costs include the purchased software made ready for use by internal or external personnel. Where applicable, the work already performed and still to be invoiced by suppliers will be estimated. Other development costs are accounted for in profit or loss when incurred.

After initial recognition, intangible fixed assets are measured at cost less accumulated amortisation and impairments. Costs related to software maintenance are accounted for as an expense when incurred.

Software is recognised as an asset and depreciated on a straight-line basis over its useful life of up to five years. When determining the useful life, it is estimated that the software could be used for 5 years and then replaced by a new system.

#### C. Property, plant and equipment

Property, plant and equipment are stated at cost (including directly attributable costs) less accumulated depreciation and impairments. If property, plant and equipment consist of major components that have different economic lives, these components are accounted for separately. A gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent costs are capitalised only when it is probable that the future economic benefits associated with those cost will accrue to the group.

Depreciation is charged on a straight-line basis to the profit and loss account. Unless it is reasonably certain that the company will take ownership of the leased assets at the end of the lease term, leased assets are depreciated over the shorter of the lease term or their useful lives.

The depreciation method and economic life of parts of property, plant and equipment are reviewed annually and adjusted if circumstances or expectations have changed significantly. Any adjustments are accounted for as changes in accounting estimates by adjusting the depreciation charges for current and future periods.

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#### D. Impairments

If there are indications of an impairment, the carrying amount of a fixed asset is tested against its realisable value.

The realisable value is the higher of the net realisable value and the value in use. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Value in use is the present value of estimated future cash flows expected to arise from the continued use of an asset and its disposal at the end of its useful life.

#### E. Financial Instruments

##### *Recognition and initial measurement*

Trade receivables and debt instruments are initially recognised when they arise. All other financial assets and financial liabilities are initially recognised when the group becomes a party to the contractual provisions of the instrument.

A financial asset (unless a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an instrument not measured at FVTPL (fair value through profit and loss), transaction costs directly attributable to the acquisition or issue of the instrument. A trade receivable without a significant financing component is initially measured at the transaction price.

##### *Classification and subsequent measurement*

##### *Financial assets*

On initial recognition, a financial asset is classified as being measured at amortised cost, fair value with changes in equity (other comprehensive income) or fair value through profit or loss. The company has only financial fixed assets classified as being measured at amortised cost. A financial asset is measured at amortised cost if it meets both of the following

conditions and is not designated as measured at fair value through profit and loss (FVTPL):

- it is held within a business model whose purpose is holding assets to collect contractual cash flows; and
- its contractual conditions result in cash flows at specified dates that are solely payments of principal and interest on the outstanding principal.

##### *Business model assessment*

The group assesses the purpose of the business model in which a financial asset is held. This reflects the way the company is managed and how information is reported to management. The company holds the financial instruments to collect the contractual cash flows.

##### *Assessment of whether the contractual cash flows are solely payments of principal and interest*

To assess whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual provisions of the instrument. This includes assessing whether the financial asset has a contractual term that could change the timing or amount of the contractual cash flows such that it would not meet this condition. Based on this assessment, the financial fixed assets qualify as contractual cash flows held solely for payments of principal and interest.

##### *Financial fixed assets measured at amortised cost*

Accounts receivable and fees yet to be invoiced are valued at amortised cost using the effective interest rate method, less provisions for any bad debts.

The simplified approach is applied to these assets, with the company taking account of lifetime expected credit loss.

The company assesses the collectability of each outstanding debt individually, considering the creditworthiness and age of the receivable. The company generally considers accounts receivable in excess of 90 days to be in default. Because the clients are internally and externally managed pension and investment funds with solid liquidity and solvency, the company considers the risk of them failing to comply with their contractual payment obligations as very low. Based on these circumstances and in the absence of any current and future developments indicating the contrary, the risk of non-payment is estimated to be very low. These are the aspects that the company considers when determining whether there is a low credit risk.

Other receivables and receivables from group companies are valued at amortised cost using the effective interest rate method, less provisions for any bad debts. The general approach is applied to these assets, with the company taking account of lifetime expected credit loss.

##### *Financial liabilities*

Financial liabilities are classified as being measured at amortised cost or FVTPL. A financial liability is classified as being measured at FVTPL if it is classified as 'held for trading', it is a derivative or it is designated as such on initial recognition. The company does not hold any financial liabilities FVTPL. Other financial liabilities are measured after initial recognition at

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amortised cost using the effective interest method. Interest charges and exchange differences are accounted for in profit or loss.

Given the often short term of these items, their fair value and amortised cost are generally close to the nominal value.

Trade payables concern purchase invoices received and recorded. Taxes are the amounts of corporate income tax and turnover tax that the company expects to pay.

The pre-invoiced fee concerns amounts to be settled with clients if the company expects that the final settlement, based on the contractual arrangements and the underlying figures at year-end, will be lower than the amount of the advance invoices sent.

Amounts owed to group companies concern debts between non-consolidated group companies for services provided.

Amounts owed to group companies are current liabilities and are settled periodically.

#### *Derecognition*

##### *Financial assets*

The company derecognises a financial asset in the balance sheet if:

- the contractual rights to the cash flows from the asset expire;
- the company transfers the contractual rights to receive the cash flows through a transaction in which almost all the risks and benefits of owning the financial asset are transferred; or
- the company does not transfer or retain almost all the risks and rewards of ownership and does not retain control of the financial asset.

If the company retains or creates an interest in such transferred financial assets, this interest will be recognised separately as an asset or liability. Financial assets and liabilities are offset and the resulting net amount is shown in the balance sheet only if the company has a legally enforceable right to this set-off and if it intends to settle on a net basis or to simultaneously realise the asset and pay the liability.

#### *Financial liabilities*

The company derecognises a financial liability in the balance sheet if the contractual obligations are waived, cancelled or expire.

When a financial liability is derecognised, the difference between the carrying amount and the amount paid (including non-cash assets transferred or liabilities assumed) is accounted for in profit or loss.

#### **F. Prepayments and accrued income**

Prepayments and accrued income are initially measured at fair value.

The subsequent measurement is at amortised cost.

#### **G. Cash and cash equivalents**

Cash and cash equivalents are recognised and subsequently measured at nominal value and consist of cash and bank balances. Bank overdrafts payable on demand are included under loans in current liabilities on the balance sheet.

#### **H. Equity**

##### *Share capital*

Shares are classified as equity. The share capital comprises the nominal amounts paid on the issued shares.

##### *Share premium*

The share premium comprises amounts paid up on issued shares insofar as these payments exceed the nominal value of those shares.

##### *Other reserves*

Other reserves are at the shareholder's disposal.

##### *Undistributed earnings*

Undistributed earnings refers to the annual net earnings.

#### **I. Accruals and deferred income**

Accruals and deferred income are initially measured at fair value.

The subsequent measurement is at amortised cost. At the end of the financial year, the amount relating to the financial year that will be paid in the following year is estimated. The nature of the item(s) and the payments already made in respect of the item(s) are taken into account for this purpose.

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**J. Provisions**

Provisions are included in the balance sheet when a legal or constructive obligation, which can be reliably estimated, arises because of a past event and it is probable that an outflow of economic resources will be required to settle the obligation.

If the time frame is longer than one year, provisions are calculated by discounting the expected future cash flows at a market-based rate before tax that takes account of the time value of money and, if applicable, the specific risks attached to the obligation.

**K. Determining fair value**

Fair value is the amount for which an asset can be realised or a liability can be settled on the measurement date in an orderly transaction between knowledgeable parties in the principal market or, if this market does not exist, the most advantageous market available to the group on that date. The fair value of a liability reflects the risk of non-performance.

A number of the group's accounting policies and disclosures require fair values to be determined for both financial and non-financial assets and liabilities.

If available, the company determines the fair value of a financial instrument by using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on a continuous basis.

If there is no price quotation in an active market, the company determines fair value by using valuation techniques that use as many relevant observable inputs and as few non-observable inputs as possible.

**L. Revenue**

The company's activities consist mainly of managing assets invested in real estate and mortgages. The fees that the company receives for this purpose are recognised under management fees. Revenue is recognised in the year in which it is earned. The fee revenue from management is based on the assets invested in the year and the rate as specified in the contract with the client.

The company supervises development projects for clients' portfolios and charges a development fee for this purpose. Supervision of development projects consists of four obligations to perform equal to the four phases of a project:

1) Exploratory phase, 2) Decision-making phase, 3) Development phase and 4) Reporting phase. Costs related to phase 1 are recognised directly in the income statement. Revenue and costs are allocated to phases 2, 3 and 4.

The progress and realisation of the performance obligation is determined on the basis of time spent or registration.

Up to and including 2022, revenue from external development projects was considered realised from the time construction started and for internal development/redevelopment projects of existing properties, revenue was realised pro rata to project progress. In 2023, the company made a change in accounting estimate in relation to revenue recognition for the supervision of development projects in accordance with IFRS 15, which is set out under the general accounting policies.

The company also acquires and sells existing properties for customers' portfolios, for which an acquisition or disposal fee is charged. This amounts to a percentage of the purchase or sale price.

The net amounts yet to be invoiced on balance ('contract assets' under IFRS 15) are shown as a fee yet to be invoiced on the balance sheet. The amounts yet to be settled on balance (known as "contract liabilities" in accordance with IFRS 15) are shown as a pre-invoiced fee on the balance sheet.

**M. Personnel and general expenses**

These expenses consist of personnel expenses and general administration expenses. Expenses are allocated to the period to which they relate.

**N. Corporate income tax**

Corporate income tax consists of current taxes attributable to the reporting period and changes in deferred tax liabilities. Corporate income taxes are recognised in the income statement, except insofar as they relate to items directly recognised in the equity, in which case the taxes are accounted for in the equity.

The corporate income tax payable consists of the expected tax on the taxable income in the reporting year, calculated using applicable tax rates at the end of the reporting year and any adjustments to corporate income tax payable in respect of previous years. Adjustments to corporate income taxes from previous years are accounted for in the profit and loss account in the line in which the adjustment occurred.

**O. Cash flow statement**

The cash flow statement is prepared on the basis of the indirect method. The cash in the cash flow statement consists of the cash and cash equivalents. Interest income is included in cash flow from operating activities.



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## NOTES TO THE CONSOLIDATED BALANCE SHEET (AMOUNTS X € 1.000)

1. Intangible fixed assets	31-12-2023	31-12-2022
<b>Software investments</b>		
<b>Balance as at 1 January</b>	<b>1.806</b>	<b>10.953</b>
<b>Investments</b>		
Balance as at 1 January	18.694	18.694
Investments	0	0
Disposals	0	0
<b>Balance as at 31 December</b>	<b>18.694</b>	<b>18.694</b>
<b>Amortisation and impairments</b>		
Balance as at 1 January	16.888	7.741
Amortisation	1.408	9.147
Disposals	0	0
Impairments	0	0
<b>Balance as at 31 December</b>	<b>18.296</b>	<b>16.888</b>
<b>Balance as at 31 December</b>	<b>398</b>	<b>1.806</b>

Amortisation in 2023 was slightly lower than in 2022. This is related to the accelerated amortisation of the Force app in 2022 (up to and including Q1 2023) as a result of the decision to further professionalise the mortgage business by switching to one 1 Mortgage path. The amortisation in 2023 is mainly related to TMS. The carrying amount of the TMS application as at the end of 2023 was €0.4 million (end of 2022: €0.6 million).

2. Trade receivables	31-12-2023	31-12-2022
Accounts receivable	588	593
Provision for doubtful debts	0	0
<b>Balance as at 31 December</b>	<b>588</b>	<b>593</b>

All accounts receivable have been received in 2024. They amount to €464 thousand of interest receivable.

3. Fees to be invoiced	31-12-2023	31-12-2022
Fees to be invoiced	9.731	7.853
<b>Balance as at 31 December</b>	<b>9.731</b>	<b>7.853</b>

The fees to be invoiced consist of acquisition, disposal, development and management fees. The development fees to be invoiced are the fees allocated to phases 2, 3 and 4. The management fees to be invoiced are based on the contractual arrangements with clients and the valuations of the underlying investments at financial year-end, less invoiced advance payments. The acquisition and disposal fees to be invoiced are a percentage of the purchase or sale price charged on acquisitions and disposals on behalf of clients.

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## NOTES TO THE CONSOLIDATED BALANCE SHEET (AMOUNTS X € 1.000)

4. Receivables from group companies	31-12-2023	31-12-2022
Achmea Bank N.V.	2.814	3.024
Achmea Interne Diensten N.V.	487	0
<b>Balance as at 31 December</b>	<b>3.301</b>	<b>3.024</b>

This relates to receivables from Achmea group companies for services rendered. These receivables are current assets and are settled periodically. All receivables have been received in 2024.

5. Other receivables	31-12-2023	31-12-2022
Other	2.448	143
<b>Balance as at 31 December</b>	<b>2.448</b>	<b>143</b>

The other receivables mainly relate to expenses still to be charged to clients in connection with Property Management.

6. Prepayments and accrued income	31-12-2023	31-12-2022
Prepaid expenses	0	42
<b>Balance as at 31 December</b>	<b>0</b>	<b>42</b>

The prepaid expenses are invoices from third parties whose performance will be rendered in the next financial year. The term is shorter than one year.

7. Cash and cash equivalents	31-12-2023	31-12-2022
Current account at Coöperatieve Rabobank U.A.	54.279	49.614
ING Bank N.V.	5.724	5.709
<b>Balance as at 31 December</b>	<b>60.003</b>	<b>55.323</b>

Cash and cash equivalents are freely available, however the terms of the AIFMD permit include an obligation to hold €21.5 million (2022: €19.8 million) in cash and cash equivalents (or in assets that can be converted directly into cash in the short term).

## 8. Share capital

The company's authorised capital is €90,800 (2022: €90,800), consisting of 90,800 shares of €1 each. 18,160 of these shares have been issued and fully paid up (2022: 18,160 shares).

## 9. Share premium

The share premium as at 31 December 2023 is €20,000 (2022: €20,000)

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## NOTES TO THE CONSOLIDATED BALANCE SHEET (AMOUNTS X € 1.000)

10. Other reserves	31-12-2023	31-12-2022
<b>Balance as at 1 January</b>	<b>46.909</b>	<b>45.449</b>
2021 result		1.460
2022 result	7.012	0
Dividend distribution	0	0
<b>Balance as at 31 December</b>	<b>53.921</b>	<b>46.909</b>

Upon the Executive Board's proposal, the company's General Meeting resolved on 12 May 2023 to allocate the result for 2022 entirely to the other reserves.

The company maintains a capital buffer to cover the risks to which it is exposed. This capital buffer complies with the ICARAP requirements.

**11. Unappropriated result for the financial year**

The Executive Board proposes to the General Meeting that the profit after tax for 2023, amounting to €6.7 million, be added to the other reserves. This proposal has not yet been included in the financial statements.

12. Other provisions	31-12-2023	31-12-2022
Restructuring provision	0	626
<b>Balance as at 31 December</b>	<b>0</b>	<b>626</b>

The provision has a term of less than 1 year. The movement in the restructuring provision is as follows:

Other provisions	2023	2022
<b>Balance as at 1 January</b>	<b>626</b>	<b>900</b>
Addition	0	0
Release	-412	-274
Allocation	-214	0
<b>Balance as at 31 December</b>	<b>0</b>	<b>626</b>

*Restructuring provision*

To make the mortgage business more professional, the company decided to move to a 1-Hypotheekstaat (1-Mortgage Path) The main features of this move are: using Quion as the supplier for the IT system, performing the mid-office activities in-house at Syntrus Achmea and outsourcing the back-office activities for all mortgage brands to Quion. In outsourcing, the principle of 'people follow the work' is applied under the Transfer of Undertakings Act. The company used €214 thousand of the provision of €626 thousand recognised for this purpose during 2023 and released €412 thousand. The move to 1-Mortgage Path was completed in 2023.

13. Payables to group companies	31-12-2023	31-12-2022
Achmea Interne Diensten N.V.	5.221	4.587
Achmea Pensioen- en Levensverzekeringen N.V.	0	149
<b>Balance as at 31 December</b>	<b>5.221</b>	<b>4.736</b>

This is an amount owed to Achmea group companies for services rendered. Amounts owed to group companies are current liabilities and are settled periodically. All amounts owed have been paid in 2024.

## CONSOLIDATED FINANCIAL STATEMENTS

## SEPARATE FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED BALANCE SHEET (AMOUNTS X € 1.000)

14. Taxes	31-12-2023	31-12-2022
Corporate income tax	-350	-198
Turnover tax	1.330	2.061
<b>Balance as at 31 December</b>	<b>980</b>	<b>1.863</b>

The above amounts relate to taxes still to be settled with Achmea B.V. because the company forms part of the fiscal unity with Achmea B.V. for both corporate income tax and value added tax.

15. Fees invoiced in advance	31-12-2023	31-12-2022
Fees invoiced in advance	2.579	4.322
<b>Balance as at 31 December</b>	<b>2.579</b>	<b>4.322</b>

The fees invoiced in advance relate firstly to development projects for which the invoicing dates differ from when which the fee revenue is recognised. Secondly, this concerns amounts to be settled with clients, because the company expects that the final settlement for some clients will be lower than the amount of the advance invoices sent.

16. Accruals and deferred income	31-12-2023	31-12-2022
Variable remuneration	1.231	1.209
Employee expenses to be paid Invoices to be received	45	0
Balance as at 31 December	5.731	2.069
<b>Stand per 31 december</b>	<b>7.007</b>	<b>3.278</b>

The variable remuneration for 2023 is an estimate based on past data and relevant information from the company and from Achmea. Invoices to be received are the best possible quantification of services for which no invoice has yet been received in the reporting year.

The increase at year-end 2023 compared to year-end 2022 is caused by employee expenses still to be paid arising from the reorganisation and costs of property management (€4.1 m), which will be partly processed through Syntrus Achmea's administration as from 2023.

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**NOTES TO THE CONSOLIDATED INCOME STATEMENT (AMOUNTS X € 1.000)**

<b>17. Employee expenses</b>	<b>2023</b>	<b>2022</b>
Salaries and wages	33.583	37.954
External employee	12.105	9.982
Expenses Pension charges	7.165	9.631
Social security	2.331	2.517
Contributions Travel	1.418	1.453
Expenses Health	1.562	1.701
Insurance Allowances	200	230
Training courses	747	695
Recruitment expenses	115	62
Other employee expenses	1.971	3.526
	<b>61.197</b>	<b>67.751</b>
Employee expenses excluding externals (page 18 employee remuneration)	49.092	57.769

*Employee expenses*

The decrease in the employee expenses in 2023 compared to 2022 is mainly due to a decrease in the number of FTEs as a result of the relocation of activities within the Achmea group (such as the IODV restructuring, which results in an increase in the general management costs) and various optimisations within Syntrus Achmea, lower pension charges due to CLA changes and reduced restructuring costs.

The Executive Board members' remuneration paid by the company was as follows:

	<b>2023</b>	<b>2022</b>
Salaries and wages	721	1.071
Pension charges	215	342
<b>Balance as at 31 December</b>	<b>936</b>	<b>1.413</b>

The costs are lower because the Executive Board formation for part of 2023 was lower compared to 2022. The above costs do not include the variable remuneration for both 2022 and 2023.

The number of internal staff expressed in FTEs, based on 34 hours, as at the end of the financial year-end was as follows:

<b>(number of FTEs)</b>	<b>2023</b>	<b>2022</b>
Mortgages	145	164
Real estate	112	99
Indirect/Staff	146	162
	<b>403</b>	<b>425</b>

All employees of the company, including the directors, are employed by Achmea Interne Diensten N.V., which is an Achmea B.V. operating company. The employee expenses and pension charges are charged to Achmea B.V.'s various operating companies, including the company, on a cost-covering basis. The pension scheme is a collective defined contribution (CDC) scheme (defined-benefit agreement).

*Supervisory Board's remuneration*

In 2023, the Supervisory Board members were remunerated for their activities. The remuneration of the Supervisory Board in € 1,000 and exclusive of VAT is as follows:

	<b>2023</b>	<b>2022</b>
Total fixed remuneration	116	116

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**NOTES TO THE CONSOLIDATED INCOME STATEMENT** (AMOUNTS X € 1.000)

<b>18. General administrative expenses</b>	<b>2023</b>	<b>2022</b>
Project and automation costs	6.600	7.230
Costs mortgage provision	12.936	12.611
Costs relating to laws and regulations	1.031	731
Costs charged by group	40.000	26.556
Consultancy and information costs	3.784	1.838
Public Relations	910	795
Contributions	348	288
Office expenses	99	80
Real estate acquisition	0	206
Amortisation expenses on software	1.408	9.147
Other expenses	-996	307
	<b>66.120</b>	<b>59.789</b>

*Project and automation costs*

Project and automation costs were €0.6 million lower in 2023 than in 2022. This decrease is mainly caused by the fact that the strategic project Max-1/1 Mortgage Path ended.

*Costs mortgage provision*

Mortgage provision costs relate to the costs associated with outsourcing these activities. The costs are rising due to increasing production volumes.

*Costs relating to laws and regulations*

The costs relating to laws and regulations are the costs relating to CDD and GDPR projects.

*Costs charged by group*

At €13.4 million, Achmea Interne Diensten N.V.'s group costs are higher in 2023 due to €5.7 million in personnel costs being charged on in connection with the 1ODV transfer, due to €7.7 million higher allocations for S&T, CDV, Holding Staff, Distribution costs and for the new DIM component due to key changes and 1KYC.

*Consultancy and information costs*

The cost increase relates to acquisition costs incurred on the one hand and to consultancy costs for CDD and 1ODV on the other.

*Amortisation expenses on software*

The depreciation charges fell sharply in 2023, namely by € 7.7 million because the Force mortgage system was written off (accelerated) at the end of February 2023 due to project 1Hypotheekstraat.

*Other expenses*

Other expenses include the settlement of acquisition costs with funds and customers as negative costs already recognised under corporate costs passed on.

The following fees of the audit firm EY and other EY units were charged to the company:

**NOTES TO THE CONSOLIDATED INCOME STATEMENT** =(AMOUNTS X € 1.000)

	2023	2022
Audit of the financial statements Other non-audit services	105	78
Other audit services (particularly ISAE 3402)	19	0
Andere controlediensten (met name ISAE3402)	304	269
	<b>428</b>	<b>347</b>

In 2023, €105 thousand (2022: €78 thousand) was accounted for in respect of the audit of the financial statements. Of this, €23 thousand is additional work (2022: €29 thousand) related to investigations of ITGCs.

**19. Corporate income tax**

The corporate income tax expense is calculated as follows:

	2023	2022
Profit before tax	9.089	9.445
<b>Taxable result</b>	<b>9.089</b>	<b>9.445</b>
Corporate income tax payable for the reporting period in the current financial year	2.366	2.437
Other adjustments for previous financial years	0	-4
<b>Corporate income tax expense</b>	<b>2.366</b>	<b>2.433</b>

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### Financial risk management and financial instruments

The company's financial risk management aims to identify and analyse the risks faced by the company, determine appropriate controls and monitor compliance with the controls. The risk management policies and systems are regularly evaluated and adjusted, as needed, to changes in market conditions and the company's activities.

Through its standards and procedures, the company strives to develop a disciplined and constructive management environment in which all employees understand their roles and obligations.

In its normal course of business, the company is subject to various risks. The risk categories and the degree to which they are measured in combination with the standards are set out below.

Risk type	Underlying risks	Key Risk Indicators	Risk acceptance
<b>Financial</b> The risk that the equity is insufficient to meet the liabilities.	<ul style="list-style-type: none"> <li>• Liquidity risk</li> <li>• Credit and counterparty risk</li> <li>• Market risk</li> <li>• Solvency risk</li> <li>• Concentration risk</li> <li>• Climate risk</li> </ul>	<ol style="list-style-type: none"> <li>1. ICARAP ratio</li> <li>2. Available liquidity in going concern for next 12 months</li> </ol>	<ol style="list-style-type: none"> <li>1. &gt;115%</li> <li>2. &gt; required AIFMD capital</li> </ol>
<b>Non-financial: strategic</b> This risk relates to issues that could threaten the organisation's objectives.	<ul style="list-style-type: none"> <li>• Business model risk</li> <li>• Stagnation risk (insufficient change power)</li> <li>• Personnel risk</li> <li>• Departure risk</li> </ul>	<ol style="list-style-type: none"> <li>1. Return on equity</li> <li>2. Internal requirement for customer satisfaction</li> <li>3. MBO score</li> <li>3. Agreements on GRESB score</li> </ol>	<ol style="list-style-type: none"> <li>1. &gt;10%</li> <li>2. &gt;6</li> <li>3. &gt;7</li> <li>3. &gt;70%</li> </ol>
<b>Non-financial: operational</b> This concerns the risk of financial loss resulting from internal fraud, external fraud, implementing processes, outsourcing, product and conduct rules, business interruptions, damage to physical business assets or personnel policy and safety.	<ul style="list-style-type: none"> <li>• Fraud risk</li> <li>• Process risk</li> <li>• Outsourcing risk</li> <li>• Product risk</li> <li>• IT risk</li> <li>• Organisation risk</li> </ul>	<ol style="list-style-type: none"> <li>1. Net financial damage as a result of operational risks</li> <li>2. Degree to which 'very urgent' issues are resolved within time set</li> <li>3. % working key controls in Control Framework</li> <li>4. Number of BKK outages (per quarter)</li> </ol>	<ol style="list-style-type: none"> <li>1. ≤ 250k EUR</li> <li>2. Resolved or reduced to 'urgent' within the time set</li> <li>3. &gt;95%</li> <li>4. No outages</li> </ol>
<b>Compliance &amp; Integrity</b> Risk of legal or administrative sanctions, material financial loss or loss of reputation due to a failure to comply with laws and regulations.	<ul style="list-style-type: none"> <li>• Compliance and integrity risk</li> </ul>	<ol style="list-style-type: none"> <li>1. Number of material breaches of law &amp; regulations per year</li> <li>2. Number of material integrity breaches</li> <li>3. Degree to which new/amended material laws and regulations are implemented in time</li> <li>4. Percentage of employees who pass mandatory e-learning</li> </ol>	<ol style="list-style-type: none"> <li>1. Zero breaches</li> <li>2. Zero breaches</li> <li>3. Timely implementation</li> <li>4. &gt;95% realised</li> </ol>

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### Liquidity risk

Liquidity risk is the risk that the company will encounter problems in complying with its financial obligations that are settled by delivering cash or another financial asset. The company's starting point is to maintain sufficient liquidity to comply with its obligations when they fall due, both under normal and stress conditions.

The liquidity risk is monitored by preparing and testing a 12-month rolling liquidity forecast each month.

All current liabilities of €16.3 million as at the end of 2023 (2022: € 14.2 million) are payable within three months after the balance sheet date. The cash and cash equivalents (€60.0 million at the end of 2023; 2022: € 55.3 million) and other current assets are available to be able to pay the liabilities on time.

### Credit and counterparty risk

Credit risk is the risk that the company will suffer financial loss if a client or counterparty to a financial instrument fails to fulfil their contractual obligations and it arises mainly from the company's receivables from clients. The carrying amount of financial assets and contract assets represents the maximum credit exposure.

The company is exposed to a credit risk on cash and cash equivalents and recorded receivables.

The risk in respect of cash and cash equivalents is mitigated because:

- The cash and cash equivalents are spread across several banks;
- Only systemically-important banks are used;
- Only banks with at least an Investment Grade Credit Rating are used.

The cash and cash equivalents are held at Coöperatieve Rabobank U.A. (€ 54.3 million) and ING Bank N.V. (€ 5.7 million). The amounts are € 49.6 million and € 5.7 million respectively for 2022. Both banks have a credit rating of Aa3 (Moody's)

The credit risk on recorded receivables is managed by working on the instructions of parties subject to a prior creditworthiness check. As for the accounts receivable and fees to be invoiced, the company works for various clients. Advance payments are also invoiced on a regular basis. The frequency of invoicing is recorded in the

contract with the client. A provision for the expected lifetime credit loss on accounts receivable is determined using the simplified approach based on a provision matrix. Previous write-offs of various account-receivable balances, categorised in days, are taken into account for determining the expected credit loss.

The calculation of the impairments of trade receivables and fees to be invoiced at year-end was as follows:

Balance as at 31 December 2023	up to and including 30 days	31-60 days	61-120 days	>120 days	Total
Expected loss rate	0%	0%	0%	0%	0%
Trade receivables	588	-	-	-	588
Fees to be invoiced	8.768	-	-	-	8.768
<b>Impairment</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Balance as at 31 December 2022	up to and including 30 days	31-60 days	61-120 days	>120 days	Total
Expected loss rate	0%	0%	0%	0%	0%
Trade receivables	593	-	-	-	593
Fees to be invoiced	7.853	-	-	-	7.853
<b>Impairment</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

There have been no previous material write-offs. The clients are internally and externally managed pension funds and investment funds with solid liquidity and solvency. Based on these circumstances, and in the absence of any current and future developments indicating the contrary, the risk of non-payment is estimated to be very low. Based on the analysis of accounts receivable outstanding for longer than 30 days, there is no indication of a need for a provision for outstanding items. The lifetime expected credit loss is assumed to be so small that it is immaterial. Given the nature of the clients' business, there is no indication that the risk profile of the accounts receivable will change in the future.

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### Market risk

The company is exposed to an indirect market risk because its revenue is based on its client's invested assets. The company is also exposed to the risk of clients terminating their asset management contract or of market conditions adversely affecting real estate development.

The company has made a sensitivity analysis on the management fee for the real estate and mortgage investments to determine the effect on the result. The value of the investments (Assets Under Management) has been taken as the starting point because the management fee is calculated on this variable. The figures in the 0% column correspond to the management fee for the 2023 financial year accounted for in the consolidated profit and loss account.

#### SENSITIVITY ANALYSIS RESULT BECAUSE OF CHANGES IN AUM (AMOUNTS X € MILLION)

Mutation AuM Real	15%	-10%	-5%	0%	5%	10%	15%
Estate management fee	-7,0	-4,6	-2,3	46,4	2,3	4,6	7,0
Mortgages management fee	-6,9	-4,6	-2,3	45,9	2,3	4,6	6,9
<b>Totale impact</b>	<b>-13,9</b>	<b>-9,2</b>	<b>-4,6</b>	<b>92,3</b>	<b>4,6</b>	<b>9,2</b>	<b>13,8</b>

The above table shows that Syntrus Achmea's total management fee (€92.8 million) for the 2023 financial year (2022: € 94.0 million) would decrease by €4.6 million if the size of the investments on 31 December 2023 were to decrease by 5% on 1 January 2024. This analysis does not take the management fees of group companies into consideration. If the size of the investments were to increase by 5% on 1 January 2024, Syntrus Achmea's management fee for the 2023 financial year would increase by approximately €4.6 million.

### (i) Currency risk

The company has an extremely limited exposure to currency risk. It runs this risk on foreign-currency debtor and creditor positions. The cash flow generating this risk is the management fee to the North America and Asia AREA Funds. Invoicing is done in USD. This risk is reduced as a result of the liquidation of both the AREA Funds North America and the AREA Funds Asia.

The turnover invoiced in USD in 2023 was approximately €110 thousand (2022: € 118 thousand). If USD increases or decreases by 5%, the result increases or decreases by around €6 thousand.

### (ii) Interest-rate risk

The company earns variable interest on the balances held in bank accounts. The initial measurement is at fair value. Syntrus Achmea is exposed to an interest-rate risk in respect of bank accounts held at Rabobank and ING Bank. At the end of the financial, the balance in the bank accounts was €60.0 million (2022: € 55.3 million).

If there were an increase or decrease of 100 basis points in the interest earned, the profit before tax would increase or decrease by around €600 thousand.

### Customer Due Diligence

As an asset manager, it is important for Syntrus Achmea to have a clear understanding of the parties it does business with, thus contributing to a broader social interest: the prevention of money laundering and the financing of terrorism.

As a result of shortcomings identified internally, the Customer Due Diligence (CDD) programme was started in 2020 to ensure that Syntrus Achmea is compliant with the CDD laws and regulations. In 2021 and 2022, the programme resulted in, among other things, a recalibrated CDD policy and the set-up of the CDD application used to implement and document CDD activities. In 2023, the programme was continued aimed at a (further) demonstrable control of CDD risks. A plan of approach was formulated for this purpose which also includes improvement actions pursuant to the audit report from Internal Audit. In 2023, improvements were implemented in demonstrable control in accordance with this plan.

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To manage CDD risks, it is necessary to monitor the customer for as long as the relationship or cooperation continues. The following activities are performed under that framework:

- Performance of a customer due diligence before the start of the services
- Performance of transaction monitoring with respect to (incoming) payments
- Performance of a PEP and sanctions list screening when establishing a new relationship and with respect to outgoing payments
- Performance of regular PEP and sanctions list screening on existing relationships
- Performance of regular and 'Event-Driven' reviews of the existing relationships.

Syntrus Achmea tests compliance based on the CDD Control Framework. This Framework defines key controls within the theme of 'Know Your Customer' on the basis of which it is assessed whether Syntrus Achmea's internal control for compliance with CDD laws and regulations is in order.

In 2022, the Dutch Authority for the Financial Markets (AFM) initiated an investigation at Syntrus Achmea within the context of the Money Laundering and Terrorist Financing Act (Wwft) for the purpose of gaining insight into the report of unusual transactions by Syntrus Achmea to the Financial Intelligence Unit (FIU) in 2018 up to and including 2022. In addition, the AFM started an investigation in August 2023 into compliance with the Wwft and the Sanctions Act by Syntrus Achmea. Syntrus Achmea complied in time with the AFM's requests for information. The AFM may impose an enforcement measure. Both investigations are ongoing.

**Financial Instruments**

The financial instruments are classified according to their accounting policies as follows:

	Notes	31-12-2023	31-12-2022
<b>Financial assets at amortised cost</b>			
Trade receivables	2	588	593
Fees to be invoiced	3	8.768	7.853
Receivables from group companies	4	3.301	3.024
Cash and cash equivalents	7	60.003	55.323
<b>Assets</b>		<b>72.660</b>	<b>66.793</b>
<b>Financial liabilities at amortised cost</b>			
Trade payables		-	-
Payables to group companies	13	5.221	4.736
Fees invoiced in advance	15	2.579	4.322
<b>Liabilities</b>		<b>7.800</b>	<b>9.058</b>

The above statements show the financial instruments measured at amortised cost. It is assumed in relation to the financial assets and liabilities that amortised cost approximates fair value. Changes in financial instruments are recorded as at the moment the transaction occurs.

## CONSOLIDATED FINANCIAL STATEMENTS

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**Off-balance sheet assets and liabilities****Contingent assets**

The company usually incurs costs for new acquisitions before it is clear whether the acquisition will ultimately succeed and/or before the identity of the client for whom the costs have been incurred is known. These costs are initially charged to the company's result. If an acquisition proceeds, the related costs are on-charged to the client concerned.

At the end of 2023, 17 potential acquisitions were recorded, for which €210 thousand in costs were incurred (2022: 22 acquisitions, €206 thousand). These costs can possibly be on-charged when the acquisitions are effected.

**Tax entity**

As the company forms part of the tax entity with Achmea B.V. for both corporate income tax and turnover tax, it is jointly and severally liable for the tax liability of the tax entity as a whole.

**Offer pipeline Attens**

Attens Hypotheken B.V. is included in the company's consolidation. Attens Hypotheken B.V. provides mortgage loans and unconditional mortgage offers to mortgagors. This creates an obligation to provide mortgage loans until the mortgage is executed. Attens Hypotheken B.V. thus has a financial obligation to the customers. As at 31 December 2023, the outstanding offer pipeline amounted to €219 million (31 December 2022: € 146 million).

Stichting Pensioenfonds Zorg & Welzijn (PFZW) has in turn issued a guarantee to Attens Hypotheken B.V. for the outstanding mortgage offers capped at €350 million (31 December 2022: € 350 million).

**Offer pipeline Achmea Hypotheken**

Achmea Hypotheken B.V. is included in the company's consolidation. Achmea Hypotheken B.V. provides mortgage loans and unconditional mortgage offers to mortgagors under the Centraal Beheer label. This creates an obligation to provide mortgage loans until the mortgage is executed. Achmea Hypotheken B.V. thus has a financial obligation to its customers. As at 31 December 2023, the outstanding offer pipeline amounted to €541 million (31 December 2022: € 607 million).

The funders for whom these offers were made (through the Achmea Mortgages Investment Platform) have undertaken to purchase the offer pipeline.

**Guarantees towards clients**

Before the Acquisition and Development business unit ends, the company will consult with the client to ensure that the development of its land and land holdings can continue.

The company indemnifies Stichting PVF Particuliere Hypothekenfonds against loss that it suffers in its capacity as the legal depositary of the Fund insofar as this is the direct result of fault as defined in Section 6:75 of the Dutch Civil Code or an intentional act or omission by the company as manager of the Foundation or the Fund.

**Related parties****Identification of related parties**

The company regards all legal entities in the Achmea Group as related parties because Achmea B.V. directly or indirectly exercises control over all of these entities.

Associates and joint ventures of the Achmea Group or one of its members are also regarded as related parties. For an overview of the group companies in the Achmea Group and its associates and joint ventures, see Achmea B.V.'s consolidated financial statements. As Rabobank exercises significant influence over Achmea B.V.'s operational and financial policy it is regarded as a related party on this basis. Stichting Pensioenfonds Achmea administers the pension scheme for the employees of the company and other members of the Achmea Group and it is regarded as a related party on this basis. The in-house funds that Syntrus Achmea manages are also regarded as related parties:

- Achmea Dutch Health Care Property Fund,
- Achmea Dutch Residential Fund,
- Achmea Dutch Retail Property Fund,
- Stichting PVF Particuliere Hypothekenfonds,
- Stichting Tellius Hypothekenfonds,
- Achmea Dutch Mortgage Fund (NHG/Low LTV).

The directors (Executive Board members) and Supervisory Board members of Achmea and of the company are regarded as key management personnel of the company and its parent company.

## CONSOLIDATED FINANCIAL STATEMENTS

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**Executive Board's remuneration**

For an overview of the employee benefits granted to the Executive Board of the company, see note 17 Employee expenses.

**Transactions with Achmea's directors**

No transactions have occurred with Achmea's directors, members of Achmea's Supervisory Board or their immediate family members. For an explanation of transactions with Achmea's directors, members of Achmea's Supervisory Board or their immediate family members, as referred to in IAS 24 section 19(f), see Achmea B.V.'s consolidated financial statements.

**Transactions with group companies**

As part of the Achmea Group, the company has various transactions with other group companies, mainly in relation to internal services (asset management, personnel through Achmea Interne Diensten, facility management and IT). The gross volume of transactions with Achmea group companies in 2023 amounted to €170.6 million (2022: € 160.9 million).

**Achmea Balansmanagement**

Achmea Balansmanagement has outsourced part of the asset management of Achmea Pensioen- en Levensverzekeringen N.V. to the company. In 2023, the management fee charged for this purpose was €8.5 million (2022: € 10.1 million).

**Achmea Bank**

Achmea Bank has largely outsourced the management of its mortgage portfolio to the company. In 2023, the management fee charged for this purpose was €32.6 million (2022: € 29.8 million).

**Achmea Interne Diensten**

Achmea Interne Diensten provides services that come under Central Services (including accounts payable and Information Management & Information Technology). In 2023, these services amounted to €129.5 million (2022: €120.9 million), including €95.8 million (2022: € 94.9 million) in on-charged costs.

**Coöperatieve Rabobank U.A.**

Rabobank is an important shareholder of Achmea B.V. The company uses Rabobank's banking services, among others, in its operational activities. All services and transactions with Rabobank are at arm's length. As at 31 December 2023, the company's current account balance at Rabobank was €54.2 million (31 December 2022: € 49.6 million).

**Transactions with in-house funds**

During the financial year, the company charged €47.7 million in management fees to the in-house funds (2022: € 50.1 million).

**Events after the balance sheet date**

No events occurred after the balance sheet date that are relevant within the context of the 2023 annual report.

# Separate financial statements 2023



## SEPARATE FINANCIAL STATEMENTS 2023

## SEPARATE BALANCE SHEET AS AT 31 DECEMBER 2023 (AMOUNTS X € 1.000)

	Notes	31-12-2023	31-12-2022
<b>Assets</b>			
<i>Fixed assets</i>			
<b>Intangible fixed assets</b>			
Software investments	1	398	1.806
Financial assets	21	2.197	504
<b>Holdings in group companies</b>		<b>2.595</b>	<b>2.310</b>
<i>Current assets</i>			
<b>Receivables, prepayments and accrued income</b>			
Trade receivables	22	505	593
Fees to be invoiced	23	6.244	6.797
Receivables from group companies	24	7.758	10.658
Other receivables	25	2.419	76
Prepayments and accrued income	26	0	37
		<b>16.926</b>	<b>18.161</b>
Cash and cash equivalents	27	49.097	43.955
<b>Total assets</b>		<b>68.618</b>	<b>64.426</b>

	Notes	31-12-2023	31-12-2022
<b>Liabilities</b>			
<i>Equity</i>			
Share capital	8	18	18
Share premium	9	20	20
Other reserves	28	53.921	46.909
Unappropriated result for the financial year	29	6.723	7.012
		<b>60.682</b>	<b>53.959</b>
<i>Provisions</i>			
Other provisions	30	0	479
		<b>0</b>	<b>479</b>
<i>Current liabilities</i>			
Payables to group companies	31	915	1.930
Taxes	32	748	2.040
Fees invoiced in advance	33	239	4.322
Accruals and deferred income	34	6.034	1.696
		<b>7.936</b>	<b>9.988</b>
<b>Total liabilities</b>		<b>68.618</b>	<b>64.426</b>

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## SEPARATE FINANCIAL STATEMENTS

## SEPARATE INCOME STATEMENT FOR 2023 (AMOUNTS X € 1.000)

	Notes	2023	2022
Real estate management fees		41.727	42.998
Mortgages management fees		33.065	33.674
Intercompany and group companies management fees		3.438	6.245
Development fees		3.217	4.922
International real estate management fees		5.209	5.474
Acquisition and disposal fees		54	335
Fees discount		-2.288	-2.224
<b>Total revenue</b>		<b>84.422</b>	<b>91.424</b>
Employee expenses	36	-44.761	-52.796
General administrative expenses	37	-33.022	-28.947
<b>Total expenses</b>		<b>-77.783</b>	<b>-81.743</b>
Interest charges		1.791	449
<b>Profit before tax</b>		<b>8.430</b>	<b>10.130</b>
Corporate income tax		-2.196	-2.610
Share in profit/loss of subsidiaries	35	489	-508
<b>Result of ordinary activities after tax</b>		<b>6.723</b>	<b>7.012</b>

	2023	2022
<b>Overview of the total result for 2023</b>		
Profit after tax	6.723	7.012
<b>Total result</b>	<b>6.723</b>	<b>7.012</b>

## Notes to the separate financial statements

### General information

The separate financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code. The option under Section 2:362, paragraph 8 of the Dutch Civil Code to apply the same accounting policies to the separate financial statements as those applied to the consolidated financial statements has been used.

### Accounting policies

#### General

The accounting policies for the separate financial statements are the same as for the consolidated financial statements. Insofar as no further accounting policies are mentioned, see the accounting policies as explained in the notes to the consolidated financial statements.

#### Subsidiaries

Subsidiaries in which dominant control can be exercised or over which the company exercises central management are measured at net asset value. The net asset value is determined by valuing the assets, provisions and liabilities and calculating the result according to the principles used in the consolidated financial statements and deducting it from the intercompany receivable from the subsidiary. If the share of losses exceeds the net asset value of the subsidiary, further losses are not recognised unless security has been provided on behalf of the subsidiaries, liabilities have been incurred or payments made on behalf of the subsidiaries. In that case, a provision is included for such liabilities.

Results on transactions with subsidiaries are eliminated in proportion to the interest in these subsidiaries insofar as these results are not realised through transactions with third parties. Losses are not eliminated if the transaction with a subsidiary demonstrates that an asset has been impaired.

### Notes to the separate balance sheet and profit and loss account

Insofar as items in the separate balance sheet and separate profit and loss account are not explained in more detail below, see the notes to the consolidated balance sheet and consolidated profit and loss account.

#### NOTES TO THE SEPARATE BALANCE SHEET (AMOUNTS X € 1.000)

21. Holdings in group companies	31-12-2023	31-12-2022
Holding in Syntrus Achmea Hypotheekdiensten B.V.	1.681	0
Holding in Syntrus Achmea Verzekeringsdiensten B.V.	516	504
<b>Balance as at 31 December</b>	<b>2.197</b>	<b>504</b>

#### Holding in Syntrus Achmea Hypotheekdiensten B.V.

Syntrus Achmea Hypotheekdiensten B.V. was incorporated in February 2015. Its activities mainly consist of offering, providing and managing mortgage loans.

In accordance with IAS 28.38 and applying the equity method for valuing holdings, the holding is measured along with other long-term receivables. A capital contribution of € 8.5 million was made. This means that as at 31 December 2023 the equity amounts to € 1.7 million (2022: € 7.3 million negative).

The result of this holding in 2023 was €0.5 million positive (2022: € 0.6 million negative).

Syntrus Achmea Real Estate & Finance B.V. holds 100% of the shares in the subsidiary Syntrus Achmea Hypotheekdiensten B.V. and includes the subsidiary in the consolidated financial statements.

#### Holding in Syntrus Achmea Verzekeringsdiensten B.V.

Syntrus Achmea Verzekeringsdiensten B.V.'s activities consist mainly of performing brokerage services.

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The movement of the holding during the financial year can be specified as follows:

**NOTES TO THE SEPARATE BALANCE SHEET** (AMOUNTS X € 1.000)

	31-12-2023	31-12-2022
Balance as at 1 January	504	498
Share premium	0	0
Result for financial year	12	6
<b>Balance as at 31 December</b>	<b>516</b>	<b>504</b>

The net asset value of Syntrus Achmea Verzekeringsdiensten B.V. as at 31 December 2023 was €510 thousand (2022: € 504 thousand). Syntrus Achmea Real Estate & Finance B.V. holds 100% of the shares in the subsidiary Syntrus Achmea Verzekeringsdiensten B.V. and includes the subsidiary in the consolidated financial statements.

<b>22. Trade receivables</b>	31-12-2023	31-12-2022
Accounts receivable	505	593
Provision for doubtful debts	0	0
<b>Balance as at 31 December</b>	<b>505</b>	<b>593</b>

All accounts receivable have been received in 2024.

<b>23. Fees to be invoiced</b>	31-12-2023	31-12-2022
Fees to be invoiced	6.244	6.797
<b>Balance as at 31 December</b>	<b>6.244</b>	<b>6.797</b>

The fees to be invoiced consist of an acquisition, development and management fee. The development fee to be invoiced is the fee that may be invoiced once the decision-making phase (phase 2) has been reached. In 2023, the company made a change in accounting estimate in relation to revenue recognition for the supervision of development projects in accordance with IFRS 15.

This has changed the timing of revenue and cost recognition as at 1 January 2023. The management fee to be invoiced is based on the contractual arrangements with clients and the provisional valuations of the underlying investments at financial year-end, less invoiced advance payments. The acquisition fee to be invoiced is a percentage of the purchase price charged on acquisitions on behalf of clients.

<b>24. Receivables from group companies</b>	31-12-2023	31-12-2022
Syntrus Achmea Hypotheekdiensten B.V.	7.758	10.658
<b>Balance as at 31 December</b>	<b>7.758</b>	<b>10.658</b>

The further details of the current-account facilities with Syntrus Achmea Hypotheekdiensten B.V., Achmea Hypotheken B.V. and Syntrus Achmea Verzekeringsdiensten B.V. are shown under the off-balance sheet assets and liabilities.

<b>25. Other receivables</b>	31-12-2023	31-12-2022
Other receivables	2.419	76
<b>Balance as at 31 December</b>	<b>2.419</b>	<b>76</b>

The other receivables relate to services rendered. These have a term of less than one year. Receivables from group companies are measured at amortised cost. This value approximates the fair value.

<b>26. Prepayments and accrued income</b>	31-12-2023	31-12-2022
Prepaid expenses	0	37
<b>Balance as at 31 December</b>	<b>0</b>	<b>37</b>

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**NOTES TO THE SEPARATE BALANCE SHEET (AMOUNTS X € 1.000)**

<b>27. Cash and cash equivalents</b>	<b>31-12-2023</b>	<b>31-12-2022</b>
Current account at Coöperatieve Rabobank U.A.	43.373	38.246
ING Bank N.V.	5.724	5.709
<b>Balance as at 31 December</b>	<b>49.097</b>	<b>43.955</b>

The company has an AIFMD permit and is required to hold the AIFMD capital in cash and cash equivalents (or assets readily convertible to cash in the short term). As at the end of 2023, the liquidity requirement under the AIFMD is €21.5 million (2022: € 19.8 million).

<b>28. Other reserves</b>	<b>31-12-2023</b>	<b>31-12-2022</b>
Balance as at 1 January	46.909	45.449
2021 result	0	1.460
2022 result	7.012	0
<b>Balance as at 31 December</b>	<b>53.921</b>	<b>46.909</b>

Upon the Executive Board's proposal, the company's General Meeting resolved on 12 May 2023 to allocate the result for 2022 entirely to the other reserves. The company maintains a capital buffer to cover the business risks to which it is exposed. This capital buffer complies with the ICARAP requirements.

**Statement of changes in separate equity**

	Accruing to shareholders				Total
	Share capital	Share premium	Other reserves	Undistributed earnings	
<b>Balance as at 1 January 2022</b>	<b>18</b>	<b>20</b>	<b>45.449</b>	<b>1.460</b>	<b>46.947</b>
Addition to 2021 result	0	0	1.460	-1.460	0
2022 result	0	0	0	7.012	7.012
<b>Balance as at 31 December 2022</b>	<b>18</b>	<b>20</b>	<b>46.909</b>	<b>7.012</b>	<b>53.959</b>
Addition to 2022 result	0	0	7.012	-7.012	0
2023 result	0	0	0	6.723	6.723
<b>Balance as at 31 December 2023</b>	<b>18</b>	<b>20</b>	<b>53.921</b>	<b>6.723</b>	<b>60.682</b>

**29. Unappropriated result for the financial year**

The Executive Board proposes to the General Meeting that the profit after tax for 2023, amounting to €6.7 million, be added to the other reserves. This proposal has not yet been included in the financial statements.

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**NOTES TO THE SEPARATE BALANCE SHEET (AMOUNTS X € 1.000)**

<b>30. Other provisions</b>	<b>31-12-2023</b>	<b>31-12-2022</b>
<b>Balance as at 1 January</b>	<b>479</b>	<b>688</b>
Addition	0	0
Release	-265	-209
Allocation	-214	0
<b>Balance as at 31 December</b>	<b>0</b>	<b>479</b>

The movement in the other provisions was as follows:

	<b>31-12-2023</b>	<b>31-12-2022</b>
Restructuring provision	0	479
<b>Balance as at 31 December</b>	<b>0</b>	<b>1.036</b>

	<b>31-12-2023</b>	<b>31-12-2022</b>
Current liability provision (< 1 year)	0	479
Noncurrent liability provision (>1 year < 5 years)	0	0
<b>Balance as at 31 December</b>	<b>0</b>	<b>479</b>

*Restructuring provision*

The company decided in 2022 to further professionalise the mortgage business by switching to the 1-Hypotheekstraat. Its main features are: the use of Quion as a supplier for the IT system, performing the mid-office activities in-house at Syntrus Achmea and outsourcing the back-office activities for all mortgage brands to Quion. In outsourcing, the principle of 'people follow the work' is applied under the Transfer of Undertakings Act (Wet Overgang Onderneming). The company used €214 thousand of the provision of €479 thousand recognised for this purpose during 2023 and released €265 thousand.

<b>31. Payables to group companies</b>	<b>31-12-2023</b>	<b>31-12-2022</b>
Achmea Interne Diensten N.V.	531	1.436
Achmea Pensioen- en Levensverzekeringen N.V.	10	494
Syntrus Achmea Verzekeringsdiensten B.V.	212	0
Achmea Hypotheken B.V.	161	0
<b>Balance as at 31 December</b>	<b>915</b>	<b>1.930</b>

These are the intercompany amounts owed to group companies for services rendered.

Amounts owed to group companies are current liabilities and are settled periodically. All amounts owed to group company Achmea Pensioen- en Levensverzekeringen N.V. have been paid in 2024.

<b>32. Taxes</b>	<b>31-12-2023</b>	<b>31-12-2022</b>
Corporate income tax	-583	-21
Turnover tax	1.331	2.061
<b>Balance as at 31 December</b>	<b>748</b>	<b>2.040</b>

The above liabilities are settled through Achmea B.V.

<b>33. Fees invoiced in advance</b>	<b>31-12-2023</b>	<b>31-12-2022</b>
Fees invoiced in advance	239	4.322
<b>Balance as at 31 December</b>	<b>239</b>	<b>4.322</b>

The fees invoiced in advance relate firstly to development projects for which the invoicing dates differ from when which the fee revenue is recognised. Secondly, this concerns amounts to be settled with clients, because the company expects that the final settlement for some clients will be lower than the amount of the advance invoices sent.

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**NOTES TO THE SEPARATE BALANCE SHEET (AMOUNTS X € 1.000)**

<b>34. Accruals and deferred income</b>	<b>31-12-2023</b>	<b>31-12-2022</b>
Invoices to be received	4.803	658
Variable remuneration	1.231	1.038
<b>Balance as at 31 December</b>	<b>6.034</b>	<b>1.696</b>

**NOTES TO THE SEPARATE PROFIT AND LOSS ACCOUNT (AMOUNTS X € 1.000)**

<b>35. Share in profit/loss of holdings</b>	<b>2023</b>	<b>2022</b>
Share in the result of Syntrus Achmea Hypotheekdiensten B.V.	477	-514
Share in the result of Syntrus Achmea Verzekeringsdiensten B.V.	12	6
	<b>489</b>	<b>-508</b>

<b>36. Employee expenses</b>	<b>2023</b>	<b>2022</b>
Salaries and wages	24.563	29.598
External employee expenses	8.854	7.771
Pension charges	5.241	7.498
Social security contributions	1.705	1.960
Travel expenses	1.037	1.131
Healthcare insurance	1.142	1.324
Allowances	146	179
Training courses	546	541
Recruitment expenses	84	48
Other employee expenses	1.442	2.745
	<b>44.761</b>	<b>52.796</b>

*Employee expenses*

The decrease in the employee expenses in 2023 compared to 2022 is mainly due to a decrease in the number of FTEs as a result of the relocation of activities within the Achmea group, such as the 1ODV movement and various optimisations within Syntrus Achmea, lower pension charges due to CLA changes and reduced restructuring costs.

<b>37. General administrative expenses</b>	<b>2023</b>	<b>2022</b>
Project and automation costs	6.600	7.230
Costs relating to laws and regulations	1.031	731
Costs charged by group	23.976	11.631
Consultancy and information costs	2.127	1.467
Public Relations	696	589
Contributions	269	230
Office expenses	73	56
Real estate acquisition	210	206
Amortisation expenses on software	1.408	9.147
Other expenses	-3.367	-2.340
	<b>33.022</b>	<b>28.947</b>

*Project and automation costs*

Project and automation costs were €0.6 million lower in 2023 than in 2022. This decrease is mainly caused by the fact that the strategic project Max-1/1 Mortgage Path ended.

*Costs mortgage provision*

Mortgage provision costs relate to the costs associated with outsourcing these activities. The costs are rising due to increasing production volumes.

*Costs relating to laws and regulations*

The costs relating to laws and regulations are the costs relating to CDD and GDPR projects.

*Costs charged by group*

At €12.3 million, Achmea Interne Diensten N.V.'s group costs are higher in 2023 due to €5.7 million in personnel costs being charged on in connection with the 1ODV restructuring, due to €7.7 million higher allocations for S&T, CDV, Holding Staff, Distribution costs and for the new DIM component due to key changes and 1KYC.

*Consultancy and information costs*

The cost increase relates to acquisition costs incurred on the one hand and to consultancy costs for CDD and 1ODV on the other.

*Amortisation expenses on software*

At € 7.7 million, the depreciation charges fell sharply in 2023, because the Force mortgage system was written off (accelerated) at the end of February 2023 due to project 1Hypotheekstraat.

*Other expenses*

The settlement of acquisition expenses is recognised under other expenses.

**Off-balance sheet assets and liabilities****Credit facility**

The company has provided a credit facility to:

- Syntrus Achmea Hypotheekdiensten B.V. capped at €19 million. This facility ends on 31 December 2024. The interest rate is the 12-month Euribor rate plus a spread of 1.5 percentage points.
- Syntrus Achmea Verzekeringsdiensten B.V. capped at €0.5 million. This facility ends on 31 December 2027. The interest rate is the 12-month Euribor rate plus a spread of 1.5 percentage points.

## Signing of the financial statements 2023

Amsterdam, 22 March 2024

### The Executive Board

M.A.H.G. Hendrickx  
Finance Director and  
Acting Chief Executive  
(director under the articles of association)

B. van der Gijp  
Real Estate Director  
(director under the articles of association)

Hikmet Sevdican  
Acting Director Mortgages  
(director under the articles of association since 11 December 2023)

### The Supervisory Board

J.H.G. Snijders MBA  
Chair

Drs. D.C. de Kluis

Drs. H.J.P.W. Brand

Prof. dr. S.G. van der Lecq

# OTHER OTHER NOTES

## **Provisions in the articles of association on the distribution of the result**

Under Article 35, paragraph 2 of the articles of association, the result achieved is at the general meeting's disposal.

## **Audit opinion of the independent auditor**

The audit opinion is included on the next page.

The following is an English translation of the independent auditor's report issued 22 March 2024

## Independent auditor's report

To: the shareholders and supervisory board of Syntrus Achmea Real Estate & Finance B.V.

## Report on the audit of the financial statements 2023 included in the annual report

### Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of Syntrus Achmea Real Estate & Finance 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 financial statements comprise:

- The consolidated and company statement of financial position as at 31 December 2023
- The following statements for 2023: the consolidated and company income statement, the consolidated statement of comprehensive income, changes in equity and cash flows
- The notes comprising material accounting policy information 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 Syntrus Achmea Real Estate & Finance B.V. (the company) in accordance with 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 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.

### Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of 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 management'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 the paragraph operational risk on page 33 of the annual report for management's (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 code of conduct, whistle blower procedures 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 evaluated whether these factors indicate that a risk of material misstatement due to 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 other things 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 to the financial statements intangible assets, provisions and variable remuneration. 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.

When identifying and assessing fraud risks we presumed that there are risks of fraud in revenue recognition. We evaluated among other things the progress of development projects. We designed and performed our audit procedures relating to revenue recognition responsive to this presumed fraud risk.

We considered available information and made enquiries of relevant executives, directors, compliance, internal audit (of Achmea B.V.), and the supervisory board.

The fraud risks 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, through discussions with the management board, reading minutes, inspection of internal audit (of Achmea B.V.) and compliance reports, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected the correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

#### **Our audit response related to going concern**

As disclosed in section 'Continuity' on page 50 of the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, management made a specific assessment of Syntrus Achmea Real Estate & Finance B.V. ability to continue as a going concern and to continue its operations for the foreseeable future.

Based on our procedures performed, we did not identify material uncertainties about going concern. 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. 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 Syntrus Achmea Real Estate and Finance B.V. to cease to continue as a going concern.

## 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 the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

## Description of responsibilities regarding the financial statements

### Responsibilities of management and the supervisory board for the financial statements

Management 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, management is responsible for such internal control as management 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, management is responsible for assessing Syntrus Achmea Real Estate & Finance B.V.'s ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on Syntrus Achmea Real Estate & Finance B.V.'s ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing Syntrus Achmea Real Estate & Finance B.V.'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.

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 skepticism 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 included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- 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 Syntrus Achmea Real Estate & Finance B.V.'s internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.

Amsterdam, 22 March 2024

Ernst & Young Accountants LLP

J.C.J. Preijde

# OTHER ABOUT SYNTRUS ACHMEA REAL ESTATE & FINANCE



## Who are we?

- We are an asset manager specialised in mortgages and real estate.
- We manage approximately €41 billion in residential, retail, healthcare real estate, offices and mortgages.
- We work for more than 60 clients, pension funds, and other institutional investors.
- We are part of the Achmea Group.
- We operate in the Netherlands, the rest of Europe, North America and Asia.
- We employ 403 people.

## What is our mission?

- We choose sustainable investments. This involves offering our stakeholders a solid financial future in an attractive living environment.
- Financial and social returns go hand in hand.

## How do we work?

- We make transparent, informed and substantiated business cases.
- We connect based on the conviction that synergy leads to the best result.
- We innovate: our innovations contribute to a sustainable living environment.
- We improve: reflection and self-knowledge are essential to our ability to continuously adapt.
- We maintain the highest standards in governance, compliance and risk management.

## Annual Report 2023 Syntrus Achmea Real Estate & Finance

### Publication date

April 2024

### Formatting and layout

Achmea Creative Services

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