

# Syntrus Achmea Real Estate & Finance B.V.

## Annual Report

2022



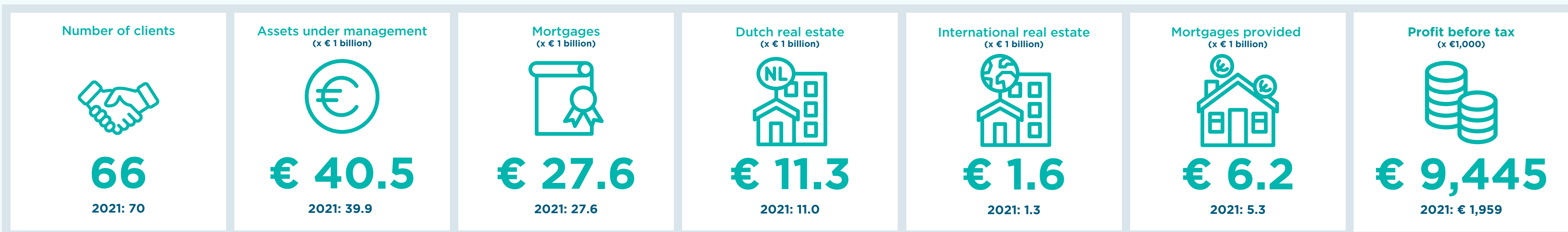
The original statutory annual report is prepared in Dutch and published on May 15, 2023.  
This document is an English translation of the original. In the case of any discrepancies between the English and the Dutch text, the latter will prevail.

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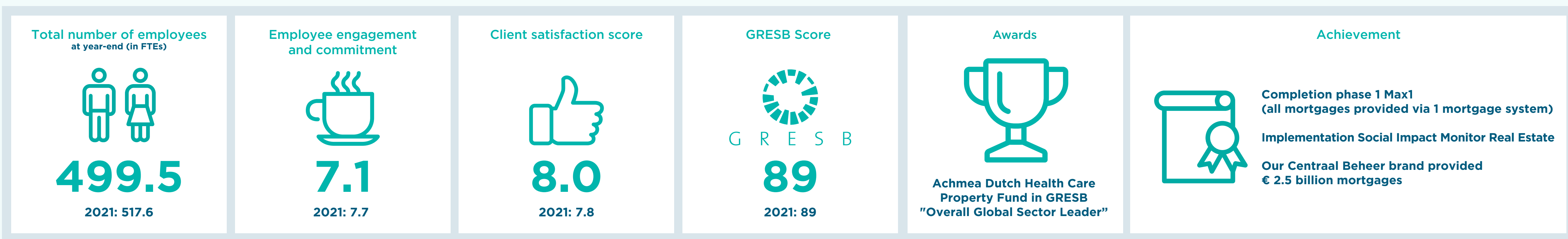
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# 2022 AT A GLANCE

## Portfolio figures



## Organisation



# Executive Board Report



## INTRODUCTION BY THE EXECUTIVE BOARD

**‘Meaningful investing’**

Our primary task is to achieve a stable financial return combined with a social return for our clients. For us, this is ‘Meaningful Investing’. We choose sustainable investments. By pursuing this policy, we offer our clients, including pension funds (and their members in the pension funds), a solid financial future in an attractive living environment. For income now, in the near future and in the longer term. This is reflected in higher client appreciation with an increase in client satisfaction to 8.0.

The main themes in 2022 were:

- excelling for our clients: investors, homeowners and tenants;
- leading the way in working towards ESG (Environmental, Social & Governance) objectives and implementing the Sustainable Finance Disclosure Regulation (SFDR), the European Commission’s sustainability legislation;
- expanding the preferential position with our partners;
- setting ourselves apart through data-driven operations through the Max-1 projects (Mortgages) and preparation for Real Conneqt (Real Estate);
- improving demonstrable compliance with laws and regulations (including CDD and Privacy);
- continuing to make the organisation more professional and increasing profitability;
- growing our assets under management and creating more value.

**Announcing the OAP strategy**

In mid-2022, Achmea’s Old Age Provision (OAP) strategy was recalibrated, and a decision was made to operate from four new clusters in 2023: Mortgages & Financial Services, Real Estate, Pensions and Institutional Investments.

This change will enable us to be even more responsive to our clients’ needs.

To this end, we are preparing to split Syntrus Achmea Real Estate & Finance into separate real estate and mortgage entities. Mortgages will soon form the Mortgages & Financial Services cluster with Achmea Bank and Centraal Beheer. Real estate will become an independent cluster under the name Achmea Real Estate. This split-up requires a new AIFMD authorisation for the mortgage activities, which is being prepared. We aim to complete the split-up in mid-2023.

“ **Our primary task is to achieve a stable financial return combined with a social return for our clients. For us, this is ‘Meaningful Investing’.** ”

**Focus and future-proof**

Even after the split-up of Syntrus Achmea Real Estate & Finance, the real estate and mortgage business will continue to implement its strategic objectives. Increased cooperation and synergy in OAP will accelerate the realisation of the strategy. In 2023, both business units will focus on:

- continuing to increase client satisfaction;
- retaining existing clients and attracting new ones;
- growing investments in mortgages and real estate;
- transitioning (migrating) to a 1-mortgage path;
- starting the implementation of the new real estate IT landscape;
- setting themselves apart through data-driven services;
- continuing to integrate ESG policy in the organisation;
- continuing to operationalise and increase synergy with Achmea’s the ‘Sum of Us’;
- continuing to make the organisation more professional and increasing profitability;
- good employment practices including focusing on employee engagement and commitment.

This also means we have a considerable calendar of changes for 2023, which has a prominent place in our agenda.

### 'Uncertain times'

Today's news is dominated by a war in Europe. Above all, we sympathise with the suffering and sorrow of everyone in Ukraine. The war has also had a major impact on the European economy. High energy prices, historically high inflation, a loss of purchasing power and rising interest rates have become the current reality. The short-term economic uncertainties are therefore considerable and these developments will affect tomorrow's real estate and mortgage investments. But real estate and mortgage investments remain a safe haven for long-term investors, even in uncertain times. Demand for owner-occupied and rental housing remains high, supported by demographics and our economy's strong characteristics.

### Socially responsible investing

We have again lived up to our name in socially responsible investing, for example through the Achmea Dutch Healthcare Property Fund that has been singled out in GRESB as the most sustainable healthcare property fund in the world. But also through CO<sub>2</sub> reduction and continued improvement of the energy labels of our investment properties and the homes serving as collateral for the mortgage investments.

The European Union (EU) has tightened its climate targets. The EU's target of a 40% CO<sub>2</sub> reduction by 2030 versus 1990 has been raised to 55%. This means that the Netherlands must also adjust its climate targets – currently a 49% reduction. As we want to – and will – make a substantial contribution in this regard.

We are pleased to report that we have kept our promise to grow in socially responsible investing. With our ESG policy, we have developed a concrete framework for our future-proof business operations. Our ESG strategy has guided the implementation of socially responsible investing over the past year:

ESG has become an integral part of our portfolio plans. Our clients are also making increasingly higher ESG-related demands. Our ESG strategy has formed a good starting point for discussions. Over the past year, we have used quarterly ESG updates to inform our stakeholders of current developments and initiatives. In accordance with new sustainability regulations such as the SFDR, we have added several sustainability performance insights at fund and portfolio level to client reports.

From plans and policies to practice. All Dutch funds and portfolios achieved the highest rating of five stars. We have done what we announced last year. And we will also be unwavering in pursuing our ambition to be among the top of our peer group for sustainability in 2023.

### The Sum of Us – Achmea

Pooling the resources of Achmea and Syntrus Achmea bore fruit in 2022. Achmea IT's commitment and expertise combined with Syntrus Achmea's business culminated in a successful project for Mortgages named Max-1 (single mortgage path) and the start of the Real Connect project (realisation of an integrated and up-to-date IT system) for Real Estate.

Cooperation between Achmea's various divisions also intensified in 2022. One eye-catching example is Achmea's new TV campaign 'More homes for the elderly, now!' Citing this demand, a group of elderly people are squatting in an empty building in The Hague. This new commercial from Achmea is part of the campaign 'Growing old happily, according to Achmea' and Achmea is using it to draw attention to the housing problem for the elderly. Growing old healthily and happily in a comfortable place is what everyone wants. But the Netherlands is ageing rapidly. We thus need additional homes where you can live comfortably when you are older. But there is already a shortage of housing and healthcare is under pressure.

Another good example is the cooperation between Zilveren Kruis Achmea and Syntrus Achmea with the 'Independent Together' initiative, a new type of housing for single senior citizens where they can live healthily and happily on their own for longer. Syntrus Achmea also continues to contribute significantly to the 'Safe and Sustainable Living' project group, in which we work closely with (Achmea) Interpolis, among others.

### Employees

Our ambitions, the wishes and requirements of both our clients and supervisory authorities – and thus the efforts to make our company more professional – demand more and different competences from our employees. Employer and employee investment in training is an essential prerequisite for keeping our most valued assets – employees – at a high level and making our organisation more professional. Seeing that we have been able to achieve our great results by investing in existing knowledge and experience complemented by new talent is wonderful. Achmea's 'All You Can Learn' programme aligns completely with this. From the second half of 2022, employees could use the unlimited training budget that Achmea and the unions agreed on in the collective labour agreement.

## Mortgages

We are extremely proud that our combined brands made it into the top 10 largest mortgage providers in the Netherlands for the first time in the third quarter. The growth in loans to €6.2 billion represented an increase of €1 billion in 2022 compared to 2021 and is a clear demonstration of confidence both in mortgages as an asset class and in our strategy. Rising interest rates have resulted in a material negative revaluation of the Achmea Dutch Residential Mortgage Fund (PVF Particuliere Hypothekenfonds). Despite this negative revaluation, Assets under Management (AuM) remained constant at €27.6 billion at the end of 2022 (2021: €27.6 billion).

Through the upcoming clustering of Achmea's mortgage activities at Achmea (Achmea Bank, Centraal Beheer and Syntrus Achmea), we expect to be able to serve our clients even better with appropriate and sustainable mortgage solutions. Besides the fund solutions, we offer investors the opportunity to build their own mortgage portfolios under the Centraal Beheer brand. Through a separate account, investors can choose a portfolio with their preferred risk profile.

The ESG strategy for the mortgage business has been expanded. The sustainability roadmap for the various mortgage portfolios has been defined and product adjustments are in progress.

**“Our combined brands made it into the top 10 largest mortgage providers in the Netherlands for the first time in the third quarter.”**

Our mortgage clients can access a wide range of sustainability solutions through Centraal Beheer's Sustainable Living platform. We have intensified care for our existing clients by continuously activating them. Our Preventive Management and Special Credits department has always been effective in devising solutions for clients with imminent or existing payment problems. As such, we are well prepared for the possible consequences of high inflation and possible economic adversity. By choosing a single mortgage path (merging the two existing mortgage paths), we have taken a big step towards our ambition of becoming the best mortgage company in the Netherlands. The mid-office activities are performed in-house at Syntrus Achmea; Quion will soon take care of the back-office activities for all mortgage brands through the IT system QSP.

## Real estate

Assets under management increased to €12.9 billion (2021: €12.3 billion). We have invested €8.8 billion of this in residential. Transaction levels are falling because of interest-rate hikes. Tightness in the residential rental market remains high. The decline in house prices that started in mid-2022 continued in the fourth quarter.

The financial effects of sustainability are becoming ever clearer. The implementation of the Social Impact Monitor (with Springco Urban Analytics) allows the social return on investing in real estate to be properly quantified for the first time.

Although the retail market took a significant hit in 2021, some recovery was also visible in 2022. Retail vacancy rates continued to fall to around 6% and consumer confidence bottomed out. In 2022, we added two of our clients' retail real estate portfolios to the Achmea Dutch Retail Property Fund. This merger creates a thriving retail portfolio focused on the future of

shopping and is expected to produce substantial diversification and synergy benefits. The Achmea Dutch Retail Property Fund is thus well-positioned for the future.

In the healthcare real estate market, we expect the 'Housing and Care for the Elderly' programme to promote and accelerate housing construction for the elderly. Although transaction volumes are falling overall, they are still historically high on a year-on-year basis. Investors are showing a growing interest in healthcare real estate, partly because of the high initial yields in all healthcare real estate segments. Sustainability remains an important theme for Syntrus Achmea; we are proud that the Achmea Dutch Health Care Property Fund was singled out as the most sustainable healthcare real estate fund in the world again last year.

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

## Financial results

Syntrus Achmea's operating result increased to €9.4 million in 2022 (2021: €1.9 million). This increase is chiefly driven by turnover development. Total turnover increased to €137 million (2021: €123 million) with growth in both real estate and mortgages, despite the effect of mortgage-rate hikes on revaluation. More projects have also been completed in 2022 for acquisition and development. Increased inflation and the nitrogen issue still create persistent challenges in starting and completing new construction projects.

Total costs increased mainly because of accelerated depreciation costs as part of the back-office outsourcing for all mortgage activities and higher costs relating to the growth in assets under management (including the increase in mortgage lending).

Assets under management in real estate and mortgages increased to €41 billion (2021: €40 billion). This growth is driven by expanding existing mandates and establishing new mandates mainly through the growth of CB Leef Hypotheek, but also through Residential Mortgage Fund (PHF) and Attens Mortgages. The volume of real estate investments grew mainly because of the value increase of real estate in 2022, despite downturns in real estate valuations in the last quarter.

With an ICLAAP ratio of 199%, the capital position remains solid and provides room for further investment and growth as a leading asset manager in real estate and mortgages.

## Conclusion

The management team reflects 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 efforts over the past year and our existing and new clients for their trust in Syntrus Achmea.

The management team has changed in the past year. Arthur van der Wal took up his new position as Chief Executive of Achmea's Pensions cluster on 1 October 2022. We thank Arthur for the foundation he has laid in making Syntrus Achmea more professional as a socially aware asset manager. In addition to her regular position as Finance Director, Mascha Hendrickx assumed the position of Acting Chief Executive as from 1 October.

We are on track and confident that our business objectives will be achieved in 2023.

Amsterdam, 19 April 2023

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



# ANNUAL REVIEW OF REAL ESTATE AND MORTGAGES

## January

- Syntrus Achmea purchases a residential high rise building ('De Catharina') with 103 sustainable apartments in the centre of Zaandam, near the central station, on behalf of one of its clients.
- Achmea Dutch Residential Mortgage Fund (PHF) surpasses 12 billion in value, partly because of the entry of five new institutional investors.
- Syntrus Achmea allocates 72 apartments at Oostenburg in Amsterdam to people in key occupations. Teachers, healthcare workers and police officers could register with priority for a total of 136 social housing units until 1 January. The remaining 64 homes go to young adults from the capital (up to 28 years old). They were also given priority in registration.

## February

- Syntrus Achmea will transform some 14,000 m<sup>2</sup> of vacant commercial real estate in the centre of Roosendaal into 171 homes and 1,000 m<sup>2</sup> of commercial space on behalf of a Dutch pension fund. The redevelopment will use a lot of timber, resulting in significantly lower CO<sub>2</sub> emissions than traditional construction.

- Syntrus Achmea is committed towards creating a balanced, equitable and inclusive housing market. It aims to achieve this by increasing the availability of sustainable rental housing, thus reducing the shortage of rental housing in the mid-market segment, improving affordability and making increasing numbers of existing homes more sustainable.

## March

- Syntrus Achmea signs an agreement with Zonnegilde to install 1,800 solar panels on the roofs of shops and shopping centres of the Achmea Dutch Retail Property Fund. Seven properties undergo sustainability upgrades in this way in 2022. These panels produce as much energy each year as the average annual electricity consumption of over 200 households.
- Syntrus Achmea may invest another three billion euros for a mortgage client in Dutch residential mortgages exclusively for existing and former employees in the healthcare and welfare sector. This will double the Attens mortgage brand's portfolio in size in the coming years.

## April

- Syntrus Achmea sells the Makado Beek shopping centre on behalf of the Achmea Dutch Retail Property Fund. The sale aligns with the Retail Fund's strategy of focusing on A locations in the strongest retail cities and dominant district centres.
- The municipality of Amsterdam and real estate investor Syntrus Achmea will work closely together to prevent and tackle housing abuse by criminals. This will make more housing available to those entitled to it and raise the quality of life in neighbourhoods. Syntrus Achmea is the first real estate company to enter into an agreement with this municipality.
- Syntrus Achmea purchases 48 apartments in the De Kroon plan at Leeuwesteyn in Utrecht on behalf of a Dutch pension fund.

## May

- Syntrus Achmea is ahead of schedule to reduce CO<sub>2</sub> emissions in its residential portfolio by 50%. This target was originally planned for 2030. As reductions are progressing faster, the milestone is expected to be achieved within a few years. This is evident from the published 2021 ESG Report, in which Syntrus Achmea explains the progress in its ESG strategy.

**June**

- Syntrus Achmea purchases 29 single-family homes in Rotterdam's Wielewaal district on behalf of the Achmea Dutch Residential Fund.

**July**

- Syntrus Achmea reaches consensus, on behalf of the Achmea Dutch Health Care Property Fund, to purchase a portfolio of 32 residential care complexes from international healthcare provider Orpea Group. The tenant and operator of the 32 complexes is Dagelijks Leven, a provider of affordable and small-scale residential care for people with dementia. With this purchase, the healthcare fund acquires over 40% of Dagelijks Leven's 76 locations.

**August**

- In cooperation with Achmea Association and architectural firm 'Juli Ontwerp', Syntrus Achmea and Zilveren Kruis develop a 'Independent Together' housing concept, enabling the elderly to live on their own at home for longer.

**September**

- Syntrus Achmea and Springco Urban Analytics jointly develop a tool that measures the impact of buildings on residents and the quality of life: the Social Impact Monitor. This monitor allows the social return on investing in real estate to be quantified for the first time.

**October**

- Achmea Dutch Retail Property Fund acquires two Retail real estate portfolios worth over €390 million. Syntrus Achmea already managed both portfolios, owned by a Dutch pension fund and an insurer, respectively.
- Syntrus Achmea's mortgage business takes another big step towards its ambition of becoming the Best Mortgage Company in the Netherlands. All new applications for all mortgage brands are processed in one system.
- Syntrus Achmea's Achmea Dutch Health Care Property Fund is once again singled out as the most sustainable healthcare real estate fund in the world. Like last year, the fund may call itself 'Overall Global Sector Leader' in the leading international GRESB benchmark.

**November**

- Syntrus Achmea purchases 213 houses with partial timber construction in Binckhorst, The Hague on behalf of a Dutch pension fund.

**December**

- Syntrus Achmea commissions BAM Wonen to make 336 pension fund rental homes more sustainable. This speeds up the process of making the housing portfolio more sustainable to energy label A on average.
- The mortgage company provides €6.2 billion in new mortgages for the year under the Centraal Beheer, Syntrus Achmea, Attens, Tellius and Woonfonds labels.



EXECUTIVE  
BOARD REPORT

# FINANCIAL

## MULTI-YEAR OVERVIEW OF SYNTRUS ACHMEA (AMOUNTS X €1,000)

	2022	2021	2020
<b>Income statement</b>			
Total revenue	137,006	122,950	101,081
Total expenses	-127,540	-120,947	-100,093
Financial income and expenses	-121	-44	-272
<b>Profit before tax</b>	<b>9,445</b>	<b>1,959</b>	<b>716</b>
Corporate income tax	-2,433	-499	-179
<b>Profit after tax</b>	<b>7,012</b>	<b>1,460</b>	<b>537</b>
<b>Equity</b>	<b>53,959</b>	<b>46,947</b>	<b>45,487</b>
Investments in fixed assets	-	523	6,480
Cash flow from operating activities	18,992	2,449	4,215

The following statement shows the consolidated financial position at the end of the reporting year:

(AMOUNTS X € MILLION)

	2022	2021	2020
Receivables, prepayments and accrued income	11.7	13.4	15.9
Cash and cash equivalents	55.3	36.3	34.4
Equity	54.0	46.9	45.5
Current liabilities	14.2	12.8	18.9
<b>Operating capital</b>	<b>52.8</b>	<b>36.9</b>	<b>31.4</b>
<b>Solvency ratio</b>	<b>78.4%</b>	<b>77.3%</b>	<b>69.0%</b>
<b>Liquidity ratio</b>	<b>4.7</b>	<b>3.9</b>	<b>2.7</b>

Operating capital is a measure of a company's liquidity. It is the portion of the long-term capital available for financing current assets and illustrates the company's ability to meet its current financial obligations.

## Development of assets under management

Compared to 2021, Syntrus Achmea's assets under management increased by €0.6 billion in 2022 to €40.5 billion (2021: €39.9 billion) - an increase of 1.5%.

The sectoral breakdown of the assets under management is as follows:

### THE SECTORAL BREAKDOWN OF THE ASSETS UNDER MANAGEMENT (AMOUNTS X € BILLION)

	2022	2021
Residential	8.8	8.4
Retail	0.9	1.1
Offices	0.2	0.2
Healthcare	0.9	0.8
Other	0.5	0.5
<b>Dutch real estate</b>	<b>11.3</b>	<b>11.0</b>
Europe	0.8	0.6
North America	0.6	0.5
Asia	0.2	0.2
<b>International real estate</b>	<b>1.6</b>	<b>1.3</b>
<b>Total real estate*</b>	<b>12.9</b>	<b>12.3</b>
Residential mortgages	27.6	27.6
<b>Total mortgages</b>	<b>27.6</b>	<b>27.6</b>
<b>Total assets under management</b>	<b>40.5</b>	<b>39.9</b>

\* This includes the in-house real estate funds and the discretionary real estate portfolios (known as the separate accounts)

## Financial results

### Result

The profit before tax for 2022 increased compared to 2021 by €7.5 million to €9.4 million (2021: € 1.9 million). The increase in profit has been caused by an increase in total revenue of €14.1 million combined with an increase in total expenses of €6.5 million. The 2022 result has been positively affected by a higher management fee and negatively affected by higher costs aimed at growth in assets under management and at making the internal organisation more professional.

### Revenue

Compared to 2021, revenue increased by €14.1 million to €137 million in 2022 (2021: €123 million) - an increase of 11.4%. This increase is largely explained by an increase in the management fee on the Assets under Management (AuM) real estate and AuM mortgages of €5.1 million and €1.0 million, respectively, higher management fees from group companies on AuM mortgages of €6.4 million, and a €1.9 million increase in the acquisition/disposition and development fee compared to the previous year.

The higher management fee is mainly attributable to the increase in value of the real estate portfolio compared to last year, combined with higher real estate purchases than sales. The increase in the acquisition and development fee is caused by starting construction of several large projects in 2022.

The increase in the residential mortgage management fee is caused by an increase in mortgage lending and growth in the mortgage portfolio despite the negative revaluation of the Residential Mortgage Fund because of the interest-rate hike in 2022.

### Expenses

Compared to 2021, total expenses increased by €6.6 million to €127.5 million in 2022 (2021: €120.9 million) - an increase of 5.4%. The increase has been caused mainly by the higher costs of mortgage loans (€2.8 million) due to higher loans and the increase in the portfolio, increased on-charging of Achmea group costs because of more FTEs (€1.6 million) and higher software depreciation of €4.8 million. Employee expenses are also lower (€3.4 million) due to fewer FTEs, lower pension costs and higher reorganisation costs.

## 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:

- Compared to 2021, the ROE ratio increased by 15.8 percentage points to 20% in 2022.
- Compared to 2021, the ROS ratio increased by 5.2 percentage points to 6.8% in 2022.
- Compared to 2021, the Liquidity Ratio increased to 4.7 in 2022 (2021: 3.9)
- The solvency ratio at year-end 2022 (78.4%) increased compared to the end of 2021 (77.4%).

The increase in ROE and ROS was mainly caused by the higher profit before tax for the 2022 financial year (compared to 2021).

For the cash flow from operational and investment activities, refer to the consolidated cash flow statement for 2022 in the financial statements.

## Capital management

Syntrus Achmea is subject to prudential capital requirements under the Dutch Financial Supervision Act ('Wft'). Investment firms must periodically assess the risks to which they are exposed, the extent 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 (ICLAAP) is the firm's comprehensive risk assessment of all risks to which it is or could be exposed.

Based on the updated ICLAAP analysis in 2022, the required ICLAAP capital is €26.0 million. On 31 December 2022, the minimum cash and cash equivalents to be held as an alternative investment fund manager under the AIFMD authorisation is €19.8 million.

The ICLAAP capital must be compared with Syntrus Achmea Real Estate & Finance's separate capital (i.e. as shown in its non-consolidated financial statements). Intangible fixed assets are a deductible item for calculating regulatory capital.

As at 31 December 2022, Syntrus Achmea's regulatory capital amounts to €51.7 million. Equity therefore exceeds the required ICLAAP capital of €26.0 million. As the separate cash and cash equivalents held amount to €44.0 million, they are above the minimum level of €19.8 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. Because the company expects that the level of separate equity will remain higher than the ICLAAP regulatory capital and the AIFMD regulatory capital, there is no need for short-term and medium-term debt financing.

(AMOUNTS X € MILLION)

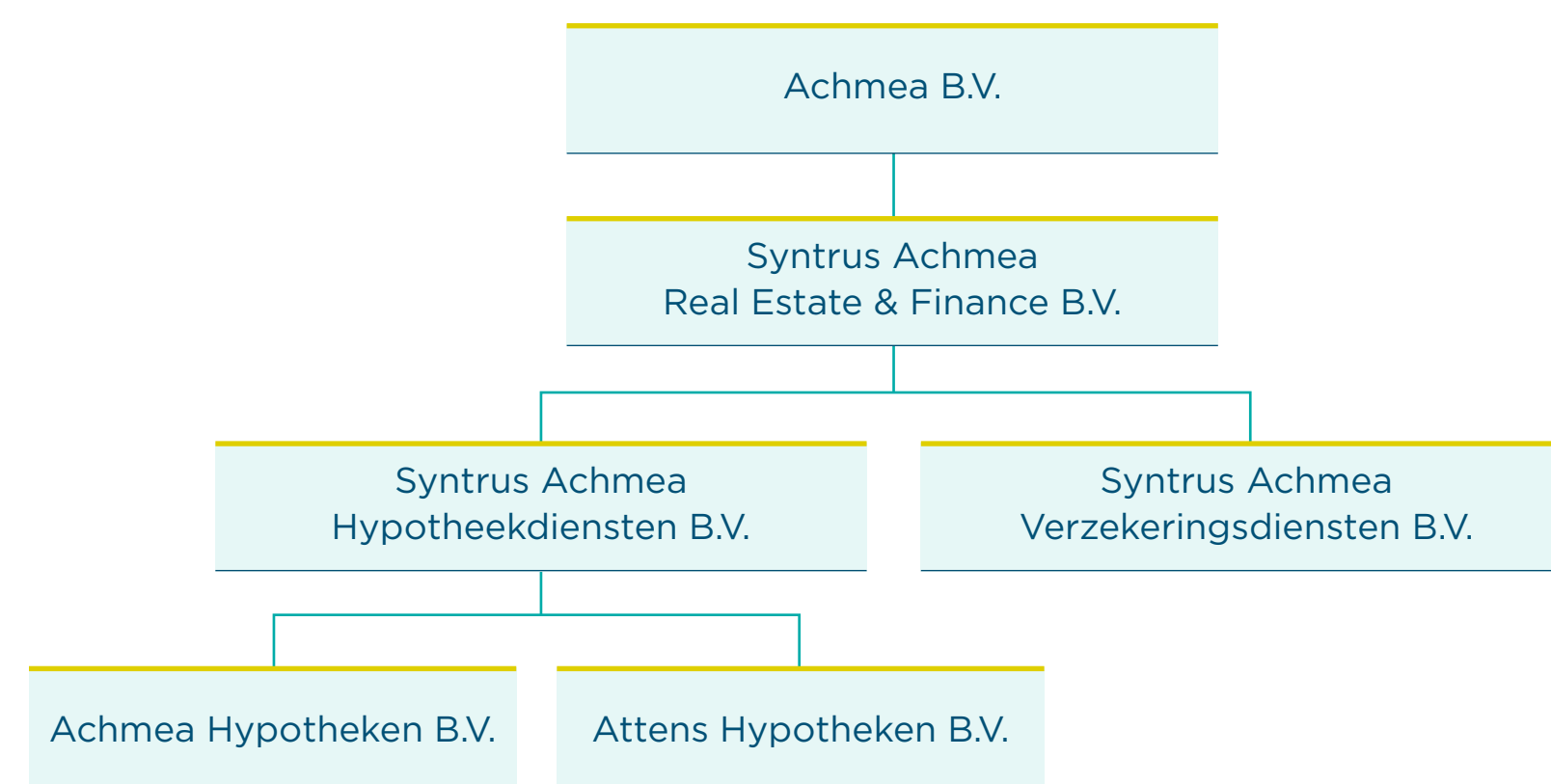
	2022	2021
Equity	54,0	46,9
Minus: Subsidiaries	-0,5	-0,5
Minus: Intangible fixed assets	-1,8	-11,0
<b>Regulatory capital</b>	<b>51,7</b>	<b>35,4</b>
ICLAAP capital	26,0	27,0
<b>Surplus</b>	<b>25,7</b>	<b>8,4</b>

## General information and profile

### Structure

#### Legal structure

Syntrus Achmea Real Estate & Finance B.V. is a 100% subsidiary of Achmea B.V. Achmea B.V. heads the Achmea Group. Syntrus Achmea Real Estate & Finance B.V. is the sole owner of the subsidiaries Syntrus Achmea Hypotheekdiensten B.V. and Syntrus Achmea Verzekeringdiensten B.V. Syntrus Achmea Hypotheekdiensten B.V. is the sole owner of its subsidiaries Attens Hypotheken B.V. and Achmea Hypotheken B.V.



#### Activities

Syntrus Achmea is a Dutch asset manager specialised in investing at the expense and risk of third parties directly and indirectly in real estate and mortgage loans. The company works for institutional parties such as Dutch pension funds, insurance companies and charities. We manage €40.5 billion worth of investments in residential, retail, healthcare and office real estate and mortgages on behalf of seventy institutional investors. Syntrus Achmea Real Estate & Finance B.V. has an AIFMD authorisation as referred to in Section 2:65a of the Dutch Financial Supervision Act ('Wft') and a Wft licence to provide investment services to professional investors (Section 2:67a, paragraph 2).

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 as defined in the Wft and has a licence issued by the Dutch Authority for the Financial Markets (AFM) as defined in Section 2:80 Wft. Syntrus Achmea Hypotheekdiensten B.V. is exempt from the commission ban under Section 4:25a Wft.

Syntrus Achmea Verzekeringdiensten B.V.'s activities consist mainly of advising on and providing intermediary services in non-life commercial insurance. Syntrus Achmea Verzekeringdiensten B.V. is an adviser and intermediary as defined in the Wft and has AFM licences as defined in Sections 2:75 and 2:80 Wft.

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

#### Organisation

Achmea Interne Diensten N.V., an operating company of Achmea B.V., employs everyone working at Syntrus Achmea. The personnel and other costs are charged to the various Achmea operating companies, including Syntrus Achmea, on a cost-covering basis. Syntrus Achmea charges personnel and other costs relating to the activities of its subsidiaries to those subsidiaries.

## Composition of the Executive Board



### Arthur van der Wal

#### Chief Executive Director until October 1, 2022

Arthur van der Wal (1972) has been Syntrus Achmea's Chief Executive Director since 1 September 2018 until 1 October 2022. Arthur started in his new position as chairman of the Executive Board of the Pensions cluster at Achmea since 1 October 2022. Before that, he was Chief Executive at the insurer Movir, part of Nationale Nederlanden (NN). He previously held various positions at NN and ING, including Institutional Relations Director at ING Investment Management (now NNIP), CEO of pension provider AZL and director of NN's pension business. Van der Wal's extensive managerial experience, his expertise in asset management and pensions and his personal network at pension funds brings great added value to Syntrus Achmea's management team. He is also a member of Stichting PensioenLab's Advisory Board.



### Mascha Hendrickx

#### Finance Director & acting Chief Executive Director

Mascha Hendrickx (1974) has been Syntrus Achmea's acting Chief Executive Director since 1 October 2022 in combination with its function Finance Director since 1 July 2019. Before that, Hendrickx worked at KPMG Financial Services from 2002 to 2019. In her Audit Partner role at KPMG since October 2012, she was responsible for auditing financial reports of listed and non-listed asset managers and real estate and mortgage investment funds. She was also responsible for KPMG's 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 also a board member of IVBN, the Association of Institutional Property Investors in the Netherlands.



### Boris van der Gijp

#### Chief Executive Director

Boris van der Gijp (1971) has been Syntrus Achmea's Real Estate Director since 17 September 2021. His experience in real estate spans over more than 25 years. 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 of Stichting HomePlan, member of the Supervisory Board of ASRE and chairman of KERN, the association for improving inner cities.



### Bruno Oudega

#### Mortgages Director

Bruno Oudega (1970) has been Syntrus Achmea's Mortgages Director since 1 April 2020. His experience in mortgages spans over more than 20 years. Prior to joining Achmea, Oudega 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. Oudega has 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.

## Proportional distribution of Executive Board composition

Syntrus Achmea strives for an proportional 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 currently consists of two men and one woman.



## Human Resources

### Workforce

The composition of Syntrus Achmea's workforce (internal and external employees) in 2022 was as follows:

#### AVERAGE NUMBER OF FTES\* IN 2022

FTEs per business unit	Internal	External	Total
Executive Board	3.8	0	3.8
Mortgages	166.5	47.0	213.4
Finance and Operations	116.8	14.9	131.7
Clients	48.5	2.7	51.2
Real estate	102.2	8.7	110.9
<b>Total</b>	<b>437.8</b>	<b>73.2</b>	<b>511.0</b>

Of the total number of FTEs at year-end 2022, 36.4% were female and 63.6% male.

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

### Remuneration policy

The remuneration policy applies to the entire Achmea Group in the Netherlands, of which Syntrus Achmea is part. This means that all business units have the same guidelines and decision-making structure. The supervision from Achmea is also given uniformly. In anticipation of Achmea's group remuneration policy review in 2023, an addendum was added to the remuneration policy in 2022 on integrating sectoral sustainability regulations that took effect in August 2022 into the remuneration policy. The addendum describes in more detail how this takes shape in Achmea's remuneration policy

The remuneration policy stems from Achmea's identity, which centres on the clients' interests. Achmea strives for a policy that is controlled, has no excesses or undesirable incentives, and is simple in design.

Achmea still made limited use of variable compensation in 2022, based on the premise that it supports stakeholder interests and can be applied in a risk-adjusted manner.



However, the variable remuneration structure should never encourage additional risk-taking or maximising short-term returns for the individual. For this reason, Achmea applies risk adjustment in variable remuneration.

This means that achieving the targets must align with the organization's strategy, long-term objectives and core values. There is also a malus and clawback policy.

In 2022, the company employed no natural persons who receive a total annual remuneration of €1.0 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	15% resp. 10%	20% resp. 15%
Collective labour agreement personnel	20%	20%

At Syntrus Achmea, 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 personnel	20%	30%	50%
Executive Board members and senior management	30%	30%	40%

### Employee benefits

The total employee benefits of Syntrus Achmea amounted to €55.8 million in 2022 (2021: €56.9 million).

During 2022, an average of 438 internal employees worked at Syntrus Achmea (2021: 447 internal employees).

The variable remuneration charged in 2022 amounted to €1.8 million (2021: €1.8 million).

### Culture and employee engagement

In 2022, Achmea reformulated its values: BEATS – Bevlogen (Enthusiastic), Eigentijds (Contemporary), Ambitieux (Ambitious), Trots (Proud) and Slagvaardig (Decisive). The new values were introduced in dialogue sessions with senior management. We are currently in the phase in which employees translate the values for themselves into their own specific behaviour. By 2023, employees will also experience these values more and make them part of our DNA.

We will start measuring the changing values in the annual Employee Engagement Survey from 2023. We also held an Employee Engagement Survey in 2022. Based on this survey, actions were identified by each team and department for 2023. The scores for the five goals are:

Client's interest:	: 7.9	(2021: 7.9)
Engagement	: 7.1	(2021: 7.7)
Employment practices	: 7.8	(2021: 8.0)
Vitality	: 6.8	(2021: 6.8)
Job satisfaction	: 7.6	(2021: 7.6)

3 of the 5 scores remained the same. The scores on engagement and employment practices are lower than last year. We think this is partly to do with the long period of working from home because of coronavirus and the organisational developments in 2022. We expect to see improvements again in 2023, partly based on the interventions planned.

### Organisational developments

2022 was a year of many organisational developments. For example, we decided to outsource part of our Mortgage activities and Achmea's Old Age Provision strategy was recalibrated, with a choice made to operate from four new clusters in 2023: Mortgages & Financial Services, Real Estate, Pensions and Institutional Investments. This change will enable us to be even more responsive to our clients' needs.

To this end, we are preparing to split Syntrus Achmea Real Estate & Finance into the entities Achmea Mortgages and Achmea Real Estate. Achmea Mortgages will form the Mortgages & Financial Services cluster with Achmea Bank and Centraal Beheer, while Achmea Real Estate will become an independent cluster. Both developments are ongoing and affect the entire organisation.

### Strategic Workforce Management

A new Strategic Workforce Management process was introduced for Achmea in 2022, providing insight across all Achmea divisions into recruitment, promotions and departures so that we can optimally deploy our personnel in the tight labour market and support them through sustainable employability interventions in areas including training and vitality.

### How we work

Coronavirus meant we worked from home for much of 2021. In March of 2022, we could finally return to the office. Because working from home had actually gone well for everyone, partly because of the good IT support, it proved a challenge in the beginning to start working at the office again, despite the request to each employee to come back to the office at least one day a week. Managers discussed this with employees and inspiration sessions and social activities were organised, resulting in an average return of one to two days a week.



## Remuneration

### Remuneration of Syntrus Achmea's Executive Board and Supervisory Board

#### Key positions: Syntrus Achmea's Executive Board

Syntrus Achmea is an independent business unit within Achmea and its Executive Board is primarily responsible for the entity itself.

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.

The company had four executive directors in 2022, of whom Arthur van der Wal served until 1 October 2022.

#### 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' regular remuneration package includes variable remuneration. Achmea's Executive Board decides in the year following the rendered performance about awarding the variable remuneration. If necessary, this is done in coordination with Syntrus Achmea's and Achmea's Remuneration Committees. To ensure a controlled remuneration policy, Syntrus Achmea's Audit & Risk Committee (ARC) determines the policy for submission to its Remuneration Committee. The award of variable remuneration relates to performance rendered in previous years. If variable remuneration is awarded for the previous performance year, half of it is postponed for five years.

Besides the salary, Syntrus Achmea's Executive Board has a pension scheme. This is the scheme that applies to Achmea Interne Diensten N.V.'s collective labour agreement personnel. The Achmea Pension Fund

(Stichting Pensioenfonds Achmea) administers this pension scheme.

A table of the Executive Board's regular remuneration in 2022 follows below. It includes a comparison with 2021 at an overall level.

#### 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 2022, there was a general increase of 3.0% as from 1 January and an individual salary step ('increment') as appropriate.

##### Variable remuneration

At the time of preparing these financial statements, the decision to award variable remuneration to Syntrus Achmea's executive directors for the 2022 performance year has not yet been taken. Achmea's Remuneration Report that will be published at the end of May 2023 on [www.achmea.nl](http://www.achmea.nl) will include details on variable remuneration awards for 2022.

#### REGULAR REMUNERATION OF SYNTRUS ACHMEA'S EXECUTIVE BOARD: (IN € X 1,000)

	Annual salary	Awarded variable remuneration (short-term employee benefits)	Awarded variable remuneration (long-term employee benefits)	Pension up to €114,866*	Contribution to net pension above €114,866	Wage supplement on pension above €114,866*	Total
Total 2022	980	n.a.	n.a.	151	110	80	1,321
Total 2021	981	46**	46**	188	110	145	1,516
	Average number of active executive directors in 2022: 4						
	Average number of active executive directors in 2021: 4						

\* The explanation is included on the next page

\*\* The variable remuneration for the 2021 performance year awarded after the adoption of the financial statements. This has been retrospectively incorporated into the total above for the 2021 performance year.

After the adoption of the 2021 financial statements, variable remuneration was awarded to the executive directors for the 2021 performance year later in 2022. Any differences are recognised as part of the total expenses in the 2022 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, a maximum contribution of 40% of the pension base (based on the amended collective labour agreement 2021-2023) and the following characteristics as at the end of 2022:

- Maximum pensionable salary: € 114,866
- Accrual: 1.875% per year, if the premium is sufficient (expected accrual in 2022 approx. 1.6%)
- Deductible: € 15,289
- Retirement age: first day of the month in which the executive director turns 68
- Surviving dependants' 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 €114,866 (2022), Achmea offers two forms of compensation to employees whose income exceeds this limit:

- A gross contribution to the net pension above €114,866: the executive director can spend the net portion of that contribution on a net pension insurance;
- A Pension Wage Supplement: this is a gross amount.

The table shows the extent of the compensations in the 2022 financial year.

### Total Expenses

In 2022, a total of €1,413,000 (2021: €1,506,000) for the financial year was paid in remuneration to Syntrus Achmea's Executive Board. This total remuneration for the Executive Board consists of the following components: short-term employee benefits (including allocated variable remuneration for 2021 of €46,000) of €878,000 (2021: €1,023,000 including allocated variable remuneration for 2020), long-term employee benefits of €46,000 (2021: €41,000 for 2020), pension charges of €342,000 (2021: €442,000).

### Clawbacks

There were no adjustments or recoveries of remuneration from previous years in 2022 in respect of active Executive Board members in 2022. This also did not happen in 2021.

### Loans

Syntrus Achmea's Executive Board members 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 2022, the supervisory directors received the following remuneration (excluding VAT) for their activities.

#### SUPERVISORY BOARD'S REMUNERATION (IN €):

	Fixed remuneration
Total 2022*	116,000
Total 2021	116,000

\* See page 43 for the Supervisory Board's composition. The Supervisory Director Daphne de Kluis is also member of the Achmea B.V.'s Executive Board. She do not receive separate remuneration for her Supervisory Board membership at Syntrus Achmea.

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

Syntrus Achmea operates on the basis of an AIFMD authorisation. The total 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 performs work only or partly for Syntrus Achmea.

**AIFMD TABLE 1 – TOTAL FOR EMPLOYEES** (IN € X 1,000)

	Total fixed remuneration – Syntrus Achmea’s personnel***)	Total variable remuneration for the financial year – Syntrus Achmea’s personnel	Total remuneration – Syntrus Achmea’s personnel
2022	32,452	n.a.*)	32,452
2021	32,458	1,705**)	34,163

\* Not yet known. At the time of signing the financial statements, no decision has yet been taken on awarding variable remuneration for 2022. If it is decided to award variable remuneration, this will be detailed in the 2022 Achmea Remuneration Report, to be published at the end of May 2023 on [www.achmea.nl](http://www.achmea.nl).

\*\* This relates to the variable remuneration awarded for the 2021 performance year. This has been retrospectively incorporated into the total for the 2021 performance year after the adoption of the 2021 financial statements. Also see the 2021 Achmea Remuneration Report published at the end of May 2022.

\*\*\* The total fixed remuneration is calculated in a different way than according to the financial statements. The basis of this calculation concerns the fixed remuneration of the employees who were employed at the end of the year, calculated over the entire year.

### Identified Staff

The aggregate amount of the remuneration at Syntrus Achmea whose actions significantly affect the investment entity’s risk profile – the identified staff – is set out below.

**AIFMD TABLE 2 – IDENTIFIED STAFF\*\*\*** (IN € X 1,000)

	Total fixed remuneration – Syntrus Achmea’s Identified Staff	Total variable remuneration for the financial year – Syntrus Achmea’s Identified Staff	Total remuneration – Syntrus Achmea’s Identified Staff
2022	3,412	n.a.*	3,412
2021	3,741	279 **	4,020

\* Not yet known. At the time of signing the financial statements, no decision has yet been taken on awarding variable remuneration for 2022 to Identified Staff. If it is decided to award variable remuneration, this will be detailed in the 2022 Achmea Remuneration Report, to be published at the end of May 2023 on [www.achmea.nl](http://www.achmea.nl).

\*\* This relates to the variable remuneration awarded for the 2021 performance year to Identified Staff. This has been retrospectively incorporated into the total for the 2021 performance year after the adoption of the 2021 financial statements. Also see the 2021 Achmea Remuneration Report published at the end of May 2022.

\*\*\* This table includes all identified staff, including executive board

In 2022, an average of 438 internal employees worked at Syntrus Achmea (2021: 447 employees), including 21 employees (including 3.8 FTE Executive Board) classified as Identified Staff (2021: 22 employees).

## Corporate social responsibility

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

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

Achmea makes sustainable solutions accessible to everyone. By doing so, Achmea takes responsibility for the world of tomorrow. Achmea invests in an inclusive society in which everyone can access health, clean energy and nature, together with partners and other stakeholders. According to Achmea, that is 'Sustainable Living Together'.

More clients are asking us to make socially responsible investments in real estate and mortgages. As supervisory authorities and pension fund members also expect this, this actually makes it a condition: all investments must be measured against ESG objectives. Syntrus Achmea is a signatory to the United Nations' Principles for Responsible Investment (PRI).

# Our ESG strategy



Investing in tomorrow's world



Focusing on closer relationships with stakeholders



Achieving the highest level of services and products



Stimulating innovation

## 1 Positive impact on society

Climate change

Urban Partner initiatives

Social impact

Investing in innovation

## 2 Best investment manager in the Netherlands

GRESB performance

Customer satisfaction

Financial outperformance

New investment products

## 3 Best employer

Carbon neutral operations

Employee engagement

Sustainable office

Training & development

## 4 Attractive and sustainable real estate

Energy labels

Tenant satisfaction

Sustainable acquisitions

Smart homes

## 5 Sustainable mortgage provider

Energy-efficiency measures

Agency satisfaction

Active support

Sustainable private homes

In 2019, Syntrus Achmea formulated its own ESG strategy with twenty specific targets for the period to 2030. An ESG Update Report reporting on progress was published for the second time in 2022. The ESG Update Reports can be found at [syntrus.nl](https://www.syntrus.nl).

### Global Real Estate Sustainability Benchmark (GRESB)

In 2022, Syntrus Achmea participated in the international sustainability benchmark GRESB with seven Dutch and two German funds and portfolios. Syntrus Achmea's average overall score remained stable at 89 points compared to 2021 – still well above the average of the entire benchmark, which rose slightly from 73 to 74 points. All Dutch funds and portfolios achieved the highest rating of 5 stars and the German funds achieved a rating of 4 stars.

The Achmea Dutch Health Care Property Fund was the world's most sustainable healthcare real estate fund for the second consecutive year and can call itself the 'Global Sector Leader'.

### SFDR and Taxonomy

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

The SFDR has two levels: Level 1 includes principles for transparency on sustainability. Syntrus Achmea implemented these obligations in 2021. Level 2 must be complied with as from 1 January 2023. It sets out the requirements of Level 1 in more detail. The required templates have been prepared, the required information has been posted on the website and the other required reports have been prepared to ensure timely regulatory

compliance for Syntrus Achmea's relevant funds and mandates.

The statement on adverse impacts of investment decisions on sustainability factors has also been expanded. This statement can be found on Syntrus Achmea's website.

Information prepared under SFDR must show the proportion of funds and mandates that invest in environmentally sustainable activities as defined by the Taxonomy. It contains comprehensive criteria based on which it can be determined whether contributions are being made to any of the six environmental objectives addressed by the Taxonomy. Syntrus Achmea is not presently making any commitment to this, as it is not yet entirely clear how this legislation must be interpreted.

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

It was agreed in the Dutch Climate Agreement that carbon emissions in the Netherlands will be 95% lower by 2050 than in 1990. Syntrus Achmea wishes to play its part in this and is striving for a carbon-neutral property portfolio by 2050. CO<sub>2</sub> reduction roadmaps have been prepared for the real estate portfolios, providing insight into opportunities to reduce carbon emissions.

Actual carbon emissions are monitored in the CO<sub>2</sub> dashboard.

Carbon emissions per square metre in the residential portfolios managed by Syntrus Achmea in 2021 were almost the same as in 2020. Carbon emissions per square metre in the retail portfolio decreased by as much as 46% in 2021. It should be noted, however, that less data was received from tenants and network managers during 2021. Actions are being put in place with property managers and others to improve data coverage next year.

Emissions per square metre in the healthcare real estate portfolio decreased by 38% in 2021 compared to the previous year. Data coverage in this portfolio increased from 46% to 96%.

### Sustainability projects

Properties are continuously made more sustainable, leading to lower carbon emissions and a better energy label. In one pension fund's residential portfolio, for example, 14 properties underwent sustainability upgrades and obtained energy label A. The upgrades included solar panels, improved insulation and CO<sub>2</sub>-controlled ventilation boxes. In the managed retail portfolios, three properties in Amsterdam, Amersfoort and Haarlem have been made gas-free and one property's energy label in Utrecht, after roof and floor insulation and installation of LED lighting, is expected to go from G to A.

In the healthcare real estate portfolio, LED lighting has been installed at properties in Amstelveen. Solar panels have been ordered for properties in Witmarsum, Leeuwarden and Amsterdam in the first quarter of 2023.

**Achmea makes sustainable solutions accessible to everyone. By doing so, Achmea takes responsibility for the world of tomorrow.**

## Energy labels

Syntrus Achmea wants the entire Dutch real estate portfolio to have an energy label A or higher by 2030. By the end of 2022, around 74% (2021: 71%) of the properties that Syntrus Achmea manages had an energy label A or higher, 11% (2021: 12%) had an energy label B, 14% (2021: 15%) had an energy label C and 1% (2021: 2%) had an energy label D or lower.

## Climate adaptation to reduce the effects of climate change

Reducing carbon emissions from buildings contributes to combating climate change. The effects of climate change can already damage buildings. Examples include heat stress, extreme precipitation, drought or flooding. In 2022, the real estate portfolio was assessed for climate effects for the third time in collaboration with Climate Adaptation Services (CAS). The assessment shows that these risks currently have limited impact on the real estate portfolio. In this analysis, climate risks are assessed based on the location of the buildings. A next step is to include the building characteristics in the assessment. To this end, Syntrus Achmea, along with banks, knowledge institutes, consultants, authorities and other investors, is participating in a Dutch Green Building Council (DGBC) project to develop a framework for climate adaptive buildings. Part 1 was completed in autumn 2022: the methodology for determining the climate effects on a building's environment. Syntrus Achmea's real estate portfolio was assessed in 2022 based on this methodology. Part 2 (determining building-specific vulnerabilities) and part 3 (defining area and building measures) will follow in spring 2023. After completing parts 2 and 3, Syntrus Achmea will examine how these can be applied to its real estate portfolio.

## Social Impact Monitor

There is a growing need to make the social side of real estate investment quantifiable and measurable. Syntrus Achmea implements this in various ways. For example, a Social Impact Monitor (SIM) has been developed with Springco Urban Analytics to report on the KPI 'improving the social impact (quality of life) of investments' from the ESG strategy. The SIM is made up of five dimensions: residents, housing, bonding, amenities and the environment. To quantify these, several indicators have been established for each dimension. The five largest residential portfolios totalling 525 properties were linked to the SIM in 2022. An initial social impact score was established for each property in these portfolios. This means Syntrus Achmea can work in a targeted way on improving the social impact of a portfolio or property. By calculating the social impact each year, the development of the score can be monitored over time and adjusted, where necessary.

**“By calculating the social impact each year, the development of the score can be monitored over time and adjusted, where necessary.”**

Within the S of ESG, Syntrus Achmea also focuses on residents' happiness and health by encouraging community building and social cohesion. Attention is also being paid to housing market access for middle-income earners by providing affordable housing and giving rental priority in big cities to key occupations such as teachers, police officers and healthcare personnel.

## ESG mortgages

Achmea's vision has guided Achmea Mortgage's ESG strategy. Together, we contribute to solving major social issues in the area of 'carefree living and working'.



## Climate

We take our social responsibility seriously by encouraging our clients to make their homes more sustainable. We want to support the transition to climate neutrality among both our existing clients and by encouraging new green inflow. Although the former contributes more to the social and community side, we also cannot do without new green inflow.

In 2022, we made many preparations to support clients in making their homes more sustainable. Some examples:

- In relation to mortgage products, we have decided on a discount for energy label A+ or higher, we are introducing a 'green' loan component with an additional discount and we are aiming to become more attractive to clients buying a new-build home by extending the offer period to 12 months. The extended offer option takes effect from 1 January 2023 and the discount for energy label A+ and the 'green' loan component will both be implemented in 2023.
- We have activated various client groups and made them aware of opportunities to make their homes more sustainable. For example, Attens clients with a low energy label have received an offer to have their homes insulated through 'Sustainable Living' with an additional €250 discount.
- We work in our 'Sustainable Living' platform with carefully selected suppliers which, in addition to providing advice, can also make the sustainability upgrades.
- We believe Sustainable Advice is important. We encourage advisers to address sustainability in their advisory meeting. We help them do this with a new 'green' page in the interest-rate offer where we show clients the benefits of sustainability and refer them to the adviser. The adviser does the online scan on 'Sustainable Living' with the client in a few minutes to determine what sustainability upgrades the client can make, what the approximate cost will be, and how much that will save.

As a mortgage company, we are convinced that the sum of the above four axes leads to a distinctive proposition. In this way, we offer the client and the adviser a complete solution and ultimate convenience. Research shows that is what clients want. Currently, they still experience too much of 'not being able to see the forest for the trees' when it comes to making their homes more sustainable.

## Social

We are committed to our clients retaining their homes long term and stand by them even in financially challenging times.

In 2022, we also made preparations to continue supporting clients in financially challenging times. Some examples:

- Some of our clients may face difficult times ahead as energy prices surge and inflation hits. The Dutch are loyal payers when it comes to their mortgages. If clients stop paying their mortgages, something is really wrong and sometimes we are already too late to help them. We thus urge clients to let us know if they have any financial problems. The earlier a client reports problems to us, the better we can help them. We offer a whole package of customised solutions: examples include payment breaks, the use of budget and job coaches and restructuring the mortgage to repay other loans. Achmea Mortgages likes to help the client devise a solution together.
- In the current market, it is possible that clients again have a home that has a lower value than their mortgage amount. This means that if the property is sold, the proceeds are insufficient to pay off the mortgage, resulting in a residual debt. Based on our desire to assist clients financially in difficult times and offer more prospects for the future, we introduced our new residual debt scheme in 2022. Under that scheme, the client pays any residual debt based on their ability to pay for five

years. Once that period has expired and the client has met the payment arrangements, Achmea Mortgages waive the remainder in full. With this new residual claim policy, we aim to give clients a debt-free prospect for the future again.

## Differentiating on climate and social, following on Governance

As Achmea Mortgages, we also want to distinguish ourselves in the ESG area in the combination of 'climate' and 'social'. Governance mainly concerns management and transparency, in which we follow Achmea's line as much as possible.

## 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 of the principles are included in its governance structure. Where applicable, Achmea largely complies with the principles and best practices of the Code. For further details on Corporate Governance and compliance with the Corporate Governance Code, refer to the Achmea Annual Report at [www.achmea.nl](http://www.achmea.nl).

#### Executive Board

As at 31 December 2022, the Executive Board has three members, namely Mascha Hendrickx (acting Chief Executive and Finance Director, Bruno Oudega (Mortgages Director) and Boris van der Gijp (Real Estate Director). Arthur van der Wal has been appointed as Chairman of the Pensions division (within Achmea) as of 1 October.

#### Supervisory Board

The Supervisory Board currently has four members and its composition is based on a balanced diversity of professional backgrounds and competencies. The Supervisory Board consists of Hans Snijders (chairman), Hein Brand, Fieke van der Lecq and Daphne de Kluis. Chapter 8 of this report describes the composition and committees of the Supervisory Board.

#### Audit & Risk Committee

The Audit & Risk Committee is primarily tasked with overseeing financial reporting, internal control and risk management, including reporting on these topics. Syntrus Achmea's Executive Board reports on risk and compliance-related subjects each quarter. The Audit & Risk Committee met six times in 2022, with several fixed items on the agenda besides changing topics. The Audit & Risk Committee regularly consults with the external auditor, among others.

#### Client Council

The Client Council consists of representatives of Syntrus Achmea Real Estate & Finance B.V.'s clients. Its main task is to provide solicited and unsolicited advice on decisions relating to acquisitions and/or reorganisations.

#### Asset Manager

Syntrus Achmea Real Estate & Finance B.V. manages the real estate and mortgage portfolios through funds or discretionary investments. The Manager's decision-making process has been shaped by also granting delegated powers to senior management, besides the Executive Board, based on their position and role.

#### Depositary

BNP Paribas is the depositary of the Alternative Investment Funds (AIFs) managed by Syntrus Achmea Real Estate & Finance B.V. The depositary has three core activities:

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

### Relevant bodies of the Syntrus Achmea in-house investment funds

#### Meetings of Participants

The participants assemble in the Meetings of Participants, which are held at least once a year, subject to what is stipulated in the fund conditions. The participants approve amendments to the fund conditions, changes to portfolio plans and appointments to the Advisory Board. They also approve the financial statements and grant discharge to the Manager and the Depositary from liability.

#### Advisory Board for the Real Estate Funds

Proposals for investments/disposals, strategy and portfolio plans are discussed in each fund's Advisory Board meetings. Representatives of the participants and external members have a seat on the Advisory Boards. The meetings of the Advisory Boards of the real estate funds are attended by the Director Investment Management.

#### Supervisory Board for the mortgage Funds

The Supervisory Board is primarily tasked with supervising and reporting on the fund's operations. The Supervisory Board meets at least four times a year and reports to the Meeting of Participants on how it has performed its tasks and which key objectives have received specific attention in the past year. Earlier in 2022, the Risk & Compliance topics from the Audit Committee have been added to the Supervisory Board for the mortgage funds.

**Audit Committee in-house funds**

The Audit Committee in-house funds oversee overlapping themes such as supervisory regulations, tax treatment and risk management, including the control framework relevant to the investment funds. The Audit Committee in-house funds met two times in 2022 and reports to the Supervisory Board Real Estate Funds and the Advisory Board Mortgage Funds including participants.

In 2022, the form of the Audit Committee will be reassessed, partly in relation to the other supervisory bodies within Syntrus Achmea. In October 2022, the Advisory Board (Real Estate Funds ) agreed to the dissolution of the Real Estate Funds Audit Committee as of December 31, 2022, because the tasks of the Audit Committee are also performed by other (supervisory) bodies within Syntrus Achmea. Earlier in 2022, it had already been decided to add the Risk & Compliance topics from the Audit Committee to the Supervisory Board for the mortgage funds.



## Risk management

### Risk framework

Syntrus Achmea has implemented a risk management framework to be able to guarantee the quality of the services provided to its clients. Alignment with the COSO Enterprise Risk Management Framework, as shown below, was created for this purpose. The risk management system is evaluated annually on the basis of 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 organisational structure and culture facilitate the tone and direction of the organisation. Responsibilities are defined and supervision is set up so that risk management can occur. The organisational culture relates to the standards and values that the organisation stands for. Syntrus Achmea applies the 'Three Lines of Defence' model.

**Line management (First line of defence)**

The first line is primarily responsible for managing risk in the processes that fall under its responsibility and for correctly, completely and timely performing the business operations. This means that in daily decision-making and implementation, first-line management is responsible for determining whether sufficient safeguards exist to remain within the risk appetite boundaries.

**Risk & Compliance (Second line of defence)**

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 the policy. The Risk Management & Compliance department is centrally organized and has direct reporting lines to Syntrus Achmea's Executive Board and the Audit & Risk Committee. There is also a reporting line to Achmea Risk Management and Achmea Compliance.

**Achmea Internal Audit (Third line of defence)**

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 Executive Board, Syntrus Achmea's Audit & Risk Committee, the Audit Committee funds, Achmea's Executive Board and Achmea's Audit & Risk Committee.

THREE LINES OF DEFENCE



**Risk appetite**

The risk appetite indicates Syntrus Achmea's attitude towards taking risks. The risk appetite consists of several starting points as part of the risk strategy and developing qualitative statements with accompanying Key Risk Indicators (KRIs) that monitor whether the risk profile remains within the risk appetite boundaries. Syntrus Achmea evaluates and reassessment its risk appetite, in coordination with the risk appetite of its shareholder Achmea B.V., at least once a year.

To manage the risks, periodic risk assessments are performed and key controls are implemented by the key risks that line management assesses quarterly in the control framework. The second line monitors and reports on the risk management. Syntrus Achmea has an overall low-risk appetite.

### Internal culture

Syntrus Achmea's culture is linked to that of Achmea. The cooperative ideology that underpins Sustainable Living Together according to Achmea is also an important guideline for Syntrus Achmea in its day-to-day operations. This is how we create sustainable value for our clients, our employees, our company 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.

- Bevlogen (Enthusiastic) because you move forward with positive energy
- Eigentijds (Contemporary) because this is the only way we will remain relevant
- Ambitieuus (Ambitious) because we can only accept the ultimate result
- Trots (Proud) because this is a source for even more excellent initiatives
- Slagvaardig (Decisive) because we simply have no time to lose

Through Achmea's General Code of Conduct, every employee knows what is expected from them in their daily work and what they can be held accountable for. This includes the following aspects:

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

Employees are screened for integrity before and during their employment (PES and IES). By doing this, Syntrus Achmea wants to mitigate the risk of employing people with an integrity risk.

At Syntrus Achmea, every employee has taken the Achmea Oath or Affirmation. Onboarding sessions are organised for new employees, familiarising them with the standards and values of Syntrus Achmea and its clients. Personal development is encouraged. Not only from training ('all you can learn concept' and depending on the position, mandatory training courses), but also from programmes such as 'My TDP' (Talent, Develop, Perform) in which the focus is on the employee's development and they are in charge. Awareness sessions are held periodically to raise awareness around integrity. Support from and exemplary behaviour by the Executive Board and management ('tone at the top') is essential for risk mitigation. The Executive Board and management recognise this and the importance of integrity in the organisation is actively promoted. '3 lines of defence' sessions were initiated in 2022 from the 2nd line, together with the 1st line, actively recreating risk attitudes and roles.

## Risk description

Syntrus Achmea divides its risks into three categories – financial risks, non-financial risks (including strategic risks) and risks arising from 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 ‘20 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

Liquidity risk is the risk that Syntrus Achmea will encounter problems in complying with its financial obligations. The liquidity risk is monitored by preparing and testing a 12-month rolling liquidity forecast each month, using the ICLAAP liquidity requirement of €19,8 million as the absolute lower limit.

#### Credit and counterparty risk

Credit risk is the risk that Syntrus Achmea will suffer financial loss if a client or counterparty to a financial instrument fails to fulfil their contractual obligations and arises mainly from Syntrus Achmea’s receivables from clients and banks.

Syntrus Achmea is exposed to 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 is exposed to indirect market risk because its revenue is based on its client’s invested assets. Syntrus Achmea is also exposed to the risk of clients terminating their asset management contract or of market conditions adversely affecting mortgage or real estate investments or real estate development.

Syntrus Achmea reduces market risk by continuously developing new products, acquiring new clients and regularly testing its existing clients’ satisfaction levels.

#### (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 generating this risk is the management fee of the North America and Asia AREA Funds that are invoiced in USD. These funds are being phased out and the flows involved are not material.

#### (ii) Interest-rate risk

Syntrus Achmea is exposed to interest-rate risk on bank accounts held at Rabobank and ING Bank. This limited risk is not hedged.

#### Solvency Risk and Capital Management

Solvency risk is the risk that Syntrus Achmea’s equity will not suffice to fulfil its short-term and long-term statutory obligations. Syntrus Achmea is subject to prudential capital requirements under the Dutch Financial Supervision Act (‘Wft’). For example, Syntrus Achmea must comply with the Investment Firms Regulation (IFR) and the Investment Firms Directive (IFD), the Internal Capital and Liquidity Adequacy Assessment Process (ICLAAP) and the Alternative Investment Fund Managers Directive (AIFMD).

The ICLAAP report provides insight into and an assessment of how the risk profile, solvency and liquidity develops in the planning period, both under normal and 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 Achmea’s Capital Adequacy Policy which states that supervised companies are independently responsible for complying with the minimum capital requirements.

## Non-financial risks

### Operational risk

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. As a manager, operational risk is the main risk for Syntrus Achmea. 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 2 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. To limit this risk, Syntrus Achmea aims to broaden the number of its products and clients.

### Strategic risk

Strategic risks are risks that could compromise the organisation's objectives. The risks are made transparent with a strategic Risk Self-Assessment. If the assessment shows that the risks are insufficiently managed, additional measures will be added to the control framework and implemented.

### Climate risk

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. Climate risks can directly affect our real estate and mortgage investments, resulting in return risks.

By minimising the impact of the built environment on climate change, we invest in tomorrow's world.

At the UN climate summit in Glasgow (COP26, November 2021), 197 countries reached an agreement in which they undertook to do everything possible to limit the global rise in temperature to no more than 1.5°C. This is necessary to avoid us having to deal with unmanageable risks. By contributing to a healthy, safe and future-proof society, we also want to assume responsibility for achieving the world's climate targets. We are striving for climate neutrality in our own operations by 2050.

## Statutory provisions

### Laws and regulations

Syntrus Achmea's compliance policy describes how the compliance risk is managed. Additional policies and regulations are available for specific compliance areas such as the integrity and fraud policy, the Customer Due Diligence policy, the privacy policy, the 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. An organisation-wide systematic issue and incident management process has also been set up.

The Law and Regulations Committee identifies and monitors new and amended legislation during the year and determines its impact on the organisation. If there are far-reaching consequences for Syntrus Achmea, the Committee advises the Syntrus Achmea's Executive Board to start a comprehensive implementation project. 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 a framework is provided for integrity risks in business operations such as corruption, gifts, ancillary positions, contracting third parties and implementing the Systematic Integrity Risk Analysis (SIRA). Syntrus Achmea's Ethics Committee discusses dilemmas and advises the organisation.



**Adequate capital buffers**

Under the IFR/IFD which entered into force on 19 October 2021, the Internal Capital & Liquidity Adequacy Assessment Process (ICLAAP) and the Alternative Investment Fund Managers Directive (AIFMD), Syntrus Achmea must meet the capital and liquidity requirements set by the supervisory authorities. An ICLAAP report is drawn up each year, which shows whether Syntrus Achmea has sufficient capital and liquidity to bear the risks associated with providing its services. Syntrus Achmea complies with the requirements for capital and liquidity buffers under IFR/IFD, ICLAAP and AIFMD.

**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 authorisation 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 licence under the Wft and is authorised to provide the investment services of asset management and investment advice to professional investors. For this purpose, Syntrus Achmea must comply with several MiFID II requirements mainly focused on investor protection. Syntrus Achmea complies with these requirements.

**Systematic Integrity Risk Analysis (SIRA)**

Under Section 10 of the Prudential Rules (Financial Supervision Act) Decree, insurers and pension funds, among others, must ensure that a SIRA is performed. 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 conducts business with, thus contributing to a broader social interest: the prevention of money laundering and the financing of terrorism.

In 2020, the Customer Due Diligence (CDD) programme was launched to ensure that Syntrus Achmea acts in conformity with CDD laws and regulations. In 2021, this resulted in a recalibrated CDD policy. In 2022, the programme continued to focus, among other things, on setting up the CDD application through which CDD activities are performed and documented, Syntrus Achmea tests compliance based on the CDD Control Framework. Key controls have been defined in this Framework under the theme 'Know Your Customer'. Based on this, an assessment is made as to whether Syntrus Achmea has the right internal controls to comply with CDD laws and regulations.

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

- A client survey before the start of services.
- Transaction monitoring of incoming payments.
- A PEP and Sanctions List screening of existing and new clients.
- A periodic and 'Event Driven' review of existing clients.

Improvements were made in demonstrable control in 2022. The remaining points for attention and improvements will be completed in the second quarter of 2023.

In 2022, the Netherlands Authority for the Financial Markets (AFM) initiated an investigation at Syntrus Achmea in relation to the Dutch Money Laundering and Terrorist Financing (Prevention) Act (Wwft) with the aim of understanding of unusual transactions that Syntrus Achmea reported to the Financial Intelligence Unit (FIU) in 2018 up to including 2022.

At the beginning of 2023, Syntrus Achmea provided additional information as requested by the AFM, which provide insight into the procedures performed by Syntrus Achmea with regard to monitoring transactions and the reporting process regarding unusual transactions. The investigation by the AFM is not yet finalized. The AFM has identified a number of points for improvement, which may result in an enforcement action.

### Privacy

Syntrus Achmea processes personal data every day. This includes data for taking out mortgages, administering lettings, sending batch emails to potential or existing clients and issuing quotations. To protect the privacy of all these data subjects, personal data are processed carefully and with due observance of the laws and regulations on 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 in demonstrable control in 2022. The remaining points for attention and improvements will be completed in 2023.

### ISAE 3402

Risk Management & Compliance assesses each year whether the ISAE control matrix is still adequately in line with Syntrus Achmea's activities and clients' requirements. For 2022, the independent external auditor issued unqualified assurance reports to the ISAE 3402 Type II reports, in which the design, existence and effective operation of the controls for the processes outsourced to Syntrus Achmea were tested.



## Outlook for 2023

### 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 2023. As briefly explained in the foreword, in a different way. In line with Achmea's strategy 'the Sum of Us' and in line with the purpose 'Sustainable Living Together', Achmea has been looking at opportunities to capitalise on the commercial clout of its various business units. It is for this reason that work has been done under the name IOAP to recalibrate the OAP strategy. The current company Syntrus Achmea will be split in 2023 as a result of which Real Estate will continue as an independent business unit under the name Achmea Real Estate, and Mortgages will form the new Mortgages and Financial Services business unit together with Achmea Bank. This includes increasing and accelerating execution power, commercial clout, synergy and cooperation within the OAP chain, which is expected to deliver stronger growth for both Mortgages and Real Estate than can be achieved in the current structure.

### General developments

The macroeconomic and political uncertainties are considerable. The aftermath of the coronavirus pandemic and the war in Ukraine are causing high inflation and higher interest rates. Economic growth expectations are declining and purchasing power is under pressure.

High energy prices are the main constraint on economic growth. Unemployment remains low and although the minimum wage is rising and wage increases are a top item on the agenda of unions, wage increases are expected to lag behind inflation on average. As prices rise faster than income, there is a loss of purchasing power, only partially compensated by government measures for limited target groups. Work is meanwhile in progress to replenish gas reserves and find ways to save energy and keep it affordable for households. As measures are only expected in 2023, the recovery of purchasing power is delayed. A long-term solution is being sought to reduce dependence on Russian gas, in which making real estate more sustainable plays an important role.

### Business operations revolve around the client

The client is the top priority and is safeguarded in various bodies: the Advisory Board, the Client Council, and through communication in one-on-one client relationships. To convert our clients' wishes into even more effective portfolio compositions and performance, working in multidisciplinary client teams is a prerequisite for offering added value. The improvements in returns, both social and financial, contribute to continued strengthening of relationships with our clients and an increase in client satisfaction. The 2022 client satisfaction survey in which we were rated 8.0 (2021: 7.8) shows we have achieved a solid foundation, but that there is plenty of room for improvement in the coming years. We continue to invest in research and development to keep our products relevant for our clients.

### ESG

Today's investments are always assessed against ESG criteria, for which social impact is achieved in addition to financial returns. Understanding the impact of real estate and mortgage investments will become even more important in the coming years. Changing laws and regulations will require institutional investors to report more on ESG and improve transparency. Because of these changes and additional reporting requirements, the European Union is encouraging investors to make their investment portfolios more sustainable at a faster pace.



**ESG is becoming an increasingly important issue for mortgage investors. The same applies to clients as sustainability plays an increasingly important role in mortgage applications.**

### Mortgages

Economic uncertainties, such as rising energy costs and high inflation, are affecting homebuyers' budgets, and interest-rate hikes have ended years of consistent rises in house prices. House prices have started to decline. With more expensive longer-term interest rates, 10-year mortgages have gained importance over longer fixed-rate periods. Arrears are still historically low, despite the interest-rate hikes. Credit losses remain limited to date.

Because of the uncertain economic developments, new mortgage loans are expected to decrease, thus affecting the projected turnover for the coming years. As the scalability of the operation will be able to partially absorb a decline in turnover, any drop in profitability may remain limited. ESG is becoming an increasingly important issue for mortgage investors. The same applies to clients as sustainability plays an increasingly important role in mortgage applications. The mortgage company focuses on growth in assets under management, efficiency, digitalisation and expansion of services.

## Real estate

### Residential

Dutch rental properties remain an attractive asset class. Future regulations, high construction costs and rising interest rates cause increased uncertainty in the market in the short term. Investment in the housing market is virtually at a standstill at present. Although increased material costs appear to be stabilising, the wage component will be a major contributor to rising construction costs, leading to uncertainty among builders and developers. Falling share prices have left many investment portfolios overweight in real estate, reducing the ability to buy. Fortunately, Syntrus Achmea has not yet had many exit requests. Because the ability to finance homes has become more unfavourable and there is much lack of clarity about regulations – for example, investing for the purpose of making residential portfolios more sustainable – private investors are now selling. Although assets under management will show a short-term decline, a recovery will be visible for the longer term, opening up opportunities for Syntrus Achmea. Compared to its competitors, Syntrus Achmea's real estate portfolio is relatively sustainable and many properties have energy label A. As a result, there are few payment problems among tenants and investments for making properties more sustainable have already been

made. Combined with demographic trends and related building production, the longer-term prospects are favourable for the housing market, including healthcare real estate. Assets under management will show an increase and recovery in share prices will lead to new client mandates for Syntrus Achmea as the overweighting of real estate will then no longer be an issue. Demand for affordable rental properties remains high, thus limiting rental risk. Besides the stable direct return, institutional investors can make an impact by investing in affordable and sustainable rental properties to reduce the housing shortage.

### Healthcare real estate

As sensitivity to economic cycles is less prominent in healthcare real estate, this asset class remains an attractive investment even in turbulent times. The demand for housing where minimal or more intensive care can be provided remains high. There is a great need for housing in which people can live at home for as long as possible. Affordability is increasing in importance because of restrictions in the nonsubsidised rent segment and because costs are rising faster than turnover for healthcare institutions. Healthcare real estate is increasingly attracting investors' attention as a means of achieving impact through real estate. Investor demand for healthcare real estate far exceeds supply.



**Make impact by investing in affordable and sustainable rental properties to reduce the housing shortage.**

### Retail

Despite current uncertainties, retail is emerging from the doldrums.

Demand for marketable retail space in the best city centre locations will continue to pick up in the coming period and district shopping centres continue to perform stably. Although rents and valuations have not yet returned to previous levels, a good entry moment is unfolding as the market is still in a recovery phase. However, the market is not insensitive to current uncertainties, of which falling purchasing power and rising prices, in particular, present a major risk. While investors are still cautious, new opportunities are surfacing in the market, partly due to the sector's rebound.

## Organisational development

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

This means that we will also continue to invest in culture, competencies (training, new talent) and structure (lean and mean, countervailing power) in 2023. Achmea and the unions agreed on an unlimited training budget in the CLA in 2022. As skilled employees are one of the building blocks, the development of our employees is an important theme. Strengthening the professionalism and competences of our employees will be a focal point in the coming years. The tight labour market makes it particularly important to be a more attractive employer.

### Financial

The major change programmes – Max-1 for Mortgages and Real Connect for Real Estate – also form the basis for achieving a medium-term increase in results and returns. They underpin portfolio growth and more efficient operations, and thus reduced operating costs.

## Split-up of Syntrus Achmea

Much of the first half of 2023 will be devoted to preparations for the split-up of Syntrus Achmea. A thorough plan for the split-up defines the various steps. In 2023, two new clusters – Mortgages & Financial Services and Real Estate – will take shape.

## Subsequent events

In mid-2022, Achmea's Old Age Provision strategy was recalibrated, and a decision was made to operate from four new clusters in 2023: Mortgages & Financial Services, Real Estate, Pensions and Institutional Investments. This change will enable us to be even more responsive to our clients' needs.

To this end, we are preparing to split Syntrus Achmea Real Estate & Finance into the entities Achmea Mortgages Funds and Achmea Real Estate subject to obtaining the required authorisation. We aim to complete the split-up in mid-2023.

It transpired in late February 2023 that the planned migration of Force to Quion's mortgage system in March 2023 has been postponed to mid-2023. This has extended Force's estimated useful life from March 2023 to mid-2023. In accordance with IFRS, the adjustment of the useful life is recognized in 2023.

No further subsequent events occurred that are significant for the purpose of the 2022 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. Although these systems aim 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.

### Review

To fulfil our responsibilities, we have systematically analysed and assessed the relevant risks and control environment of our organisation during the 2022 reporting year. 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

Syntrus Achmea's Executive Board is of the opinion that the Risk & Compliance reports for the first to fourth quarters of 2022 truthfully and faithfully reflect the company's main net risks and control weaknesses.

During 2022, the company again took important and necessary steps in the area of risk management. For a number of risk themes, continued positive development of the Net Risk Exposure is visible. We view this as confirmation of the improvement processes that have been initiated. But we also realise that further improvements are necessary. Given the size and complexity of activities and projects, this will also continue to require management's attention in 2022. We have the utmost confidence that we will bring this to a successful conclusion.

Amsterdam, 19 April 2023

#### **The Executive Board of Syntrus Achmea Real Estate & Finance B.V.**

Mascha Hendrickx, Bruno Oudega and Boris van der Gijp

# Supervisory Board



# SUPERVISORY BOARD REPORT

## Composition of the Supervisory Board

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

## Duties

### Meetings with the Executive Board

The Supervisory Board met five times last year in the Executive Board's presence. Immediately before the meeting, the Supervisory Board holds a closed session. The meeting is evaluated afterwards, first in the Executive Board's presence and then in a closed session of the Supervisory Board. The parties reflect on the process, content and dynamics of the meeting and the effectiveness of their own input.

### Syntrus Achmea's strategy

The Supervisory Board consulted intensively with the Executive Board about strategic decisions that substantially affect Syntrus Achmea's future. The main strategic decision in 2022 for Syntrus Achmea as a whole concerned the impact of Achmea's new 1OAP (Old Age Provision) strategy for the Syntrus Achmea business. The Supervisory Board met once, for the purpose of 1OAP, in the presence of the Real Estate and Mortgage workstream 'coordinators'. In line with its 'The Sum of Us' strategy and 'Sustainable Living Together' objective, Achmea has been looking at opportunities to boost the commercial strength of its various business units. For this reason, work was performed under the name 1OAP to recalibrate the OAP division's strategy. Organisational control in this division will be adjusted in 2023.

At the end of 2022, following the adoption of resolutions in Achmea's Executive Board and completion of the employee participation process, Achmea decided to unbundle the current Syntrus Achmea business in 2023, as a result of which Real Estate will continue as an independent cluster and Mortgages will form the new Mortgages and Financial Services cluster with Achmea Bank.

## Mortgages

In discussions with the Executive Board, the Supervisory Board was closely attuned to macroeconomic developments including product supply and demand, the wage-price spiral and, in particular, the war in Ukraine. These developments have resulted in strong inflation and thus rising interest rates, increased cost-of-living expenses and declining house prices in the fourth quarter.

Rising interest rates cause a lower value of assets under management (AuM) and therefore a lower management fee. Although the impact on mortgage production for 2022 as a whole was still limited, the market demand for mortgages fell sharply in the third quarter.

In addition, several meetings focused on the progress of the Max-1 project. A milestone was reached in October 2022 when the new production went live in Quion's mortgage system. The existing mortgage portfolio is scheduled to migrate in the first half of 2023.

## Real estate

In its discussions with the Executive Board, the Supervisory Board was also closely attuned to the effects of inflation on the real estate business. Falling share prices are likely to make institutional investors overweight in illiquid investments. Although the impact of this was still limited in 2022, it leaves open the possibility that they may have to make other choices in 2023 that reduce the scope for investing in real estate.

In various meetings, the long-term process for further digitalisation and optimisation of the real estate business was discussed with the Executive Board. Future-proofing the real estate business through effective and efficient processes, facilitating the strategic growth and other objectives, and complying with laws and regulations (including CDD and SFDR) require an upgrade of the Syntrus Achmea real estate business's IT systems with the Real Connect programme. In Q3 2022, the Executive Board of Syntrus Achmea and Achmea resolved to start implementing this programme in 2023 and the Supervisory Board approved this resolution. This is an important step towards becoming a distinctive organisation with data-driven services.

As part of the annual Property Tour, the Supervisory Board visited Amsterdam (Oostenburg). The visit was inspiring and enlightening.



### CDD and privacy

The Supervisory Board continued to closely monitor the CDD project in 2022. It also paid increased attention to the Privacy project.

### Strategy

The Supervisory 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 Supervisory Board meetings. As explained earlier, the decision to split Syntrus Achmea was the main strategic theme in 2022.

### Works Council

The Supervisory Board members take it in turns to attend a half-yearly meeting with the Works Council and the Executive Board about the general affairs of the company under Section 24(1) of the Dutch Works Councils Act. The Supervisory Board thus attended two meetings with the Works Council in 2022. It finds the consultations with the participation council constructive and valuable and experiences strong commitment from the Works Council.

### Interaction with the shareholder

Daphne de Kluis simultaneously holds the position of the Executive Board's representative for Syntrus Achmea in addition to that of Supervisory Director for Syntrus Achmea. She interprets this dual role carefully. The Supervisory Board's coordination with Achmea largely runs through the Executive Board's representative. The short lines of communication contribute to constructive and fruitful cooperation between the Supervisory Board and the shareholder.

### Interaction between the Advisory Boards

The Advisory Board for the real estate funds and the Advisory Board for the mortgage funds managed by Syntrus Achmea also coordinated with each other this year. There is an annual meeting between the chairpersons of these Advisory Boards and the chairperson of the Supervisory Board. By coordinating with each other, they try to create a greater understanding about the funds and simultaneously avoid the duplication of work. This coordination has proved fruitful and gives clients better insight into how Syntrus Achmea discharges its managerial responsibility. Supervisory Board members also attended some meetings of participants.

### Client Council

The Supervisory Board member appointed on the Client Council's nomination, Fieke van der Lecq, attends a Client Council meeting at least once a year.

### Consultation with the external auditor

In 2022, the full Supervisory Board met once in the external auditor's presence. The company's financial statements, the independent auditor's audit opinion and the auditor's report for Syntrus Achmea were discussed in this meeting. The external auditor also periodically attended Audit & Risk Committee meetings and an annual meeting is held with the committee members only. The Supervisory Board reflects on good cooperation.

### Committees

The Supervisory Board has four permanent committees: the Nomination & Remuneration Committee (NRC), the Audit & Risk Committee (ARC), the Real Estate Committee (REC) and the Mortgage Committee (MC).

The Nomination and Remuneration Committee consists of Hein Brand (Chairman) and Hans Sniijders (member). In the reporting year, the committee met four times in the Chief Executive's presence. Topics discussed at these meetings included the remuneration policy, Strategic Personnel Planning and filling the vacancy of Acting Chief Executive.

The Audit & Risk Committee consists of Fieke van der Lecq (Chairwoman) and Daphne de Kluis (member). In the reporting year, the committee met six times, in the presence of the Chief Executive and Risk Management Director Arthur van der Wal (four meetings) and Finance Director (and from 1 October, Acting Chief Executive) Mascha Hendrickx, the Risk & Compliance Manager, the Compliance Officer and a representative from Achmea's Internal Audit. The external auditor also attended periodically. Topics discussed in the committee meetings included quarterly financial reports, quarterly Risk & Compliance reports, CDD, ICLAAP, dividend proposals, rolling forecasts, privacy and audit reports.

The Real Estate Committee consists of Hein Brand (Chairman) and Hans Sniijders (member). In the reporting year, the committee met four times in the Real Estate Director's presence. These meetings take a deeper look at real estate topics, including in relation to market developments, portfolio plans, foreign investors, major change projects such as Real Conneqt and the impact of Syntrus Achmea's division on the real estate business.

The Mortgage Committee consists of Hein Brand (Chairman) and Hans Sniijders (member). During the reporting year, the committee met three times in the presence of the Mortgages Director. These meetings take a deeper look at mortgage topics, including in relation to market developments, the mortgage change programme, major change projects such as Max-1 and the impact of Syntrus Achmea's split on the mortgage business.

## Performance

### Continuing professional development

Besides specific topics discussed in its regular meetings, the Supervisory Board participated in the in-company Sustainability knowledge session along with the Executive Board in 2022.

### Self-assessment

In early 2023, the Supervisory Board held a self-evaluation in relation to 2022. The quality of the procedural and relational aspects of the team's functioning, effectiveness and cooperation with each other were discussed. The performance of the various Supervisory Board roles was evaluated, as was its cooperation and relationship with the Executive Board and the shareholder. Overall, the Supervisory Board functions efficiently and effectively. The Supervisory Board then shared the main findings and conclusions with the Executive Board.

## 2022 Financial Statements

The Supervisory Board draws special attention to the following results in 2022.

Highlights include the milestones achieved in the mortgage business; the steps in the Max-1 transition project were successful. This lays the foundation for migration in 2023.

This next step in making the mortgage activities more professional is an important basis for growth and success in the mortgage domain. The fact that Syntrus Achmea mortgages made the top 10 in the Dutch mortgage market in the fourth quarter, with a ranking of eighth, is a great achievement.

The Supervisory Board is also proud of the results that the Real Estate business achieved in the GRESB survey: Syntrus Achmea Real Estate & Finance's Achmea Dutch Health Care Property Fund (ADHCPF) was again singled out as the most sustainable healthcare real estate fund in the world.

In 2022, there was much investment in the developments, some of which have been mentioned above. As a result, the operating result for 2022 was €9.4 million. Because of the investments made in 2022, the foundation strengthened by them and the new plans for 2023, the Supervisory Board is confident that both Real Estate and Mortgages will end 2023 in their separated form with an adequate return. Following the division of Syntrus Achmea, this Supervisory Board will step down as the supervisory body in its current structure.

In accordance with the Audit & Risk Committee's recommendation, the Supervisory Board advises the shareholder to adopt the 2022 financial statements as prepared by the Executive Board.

## A word of thanks

The Supervisory Board wishes to thank Arthur van der Wal, who left on 1 October 2022, for his energy, commitment and the results he achieved for Syntrus Achmea in the past four years. He worked diligently to make Syntrus Achmea more professional and prepare it for the next phase. The Supervisory Board wishes Arthur van der Wal every success in his new position as Chief Executive of the Pensions cluster at Achmea. The Supervisory Board also thanks Mascha Hendrickx for acting as Chief Executive since 1 October 2022, in addition to her regular position as Finance Director. And the Supervisory Board thanks Syntrus Achmea's clients for their trust.

Lastly, the Supervisory Board thanks the Executive Board, the management and all employees of Syntrus Achmea for their efforts during the past year.

Amsterdam, 19 April 2023

### Syntrus Achmea B.V.'s Supervisory Board

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

## Composition of the Supervisory Board

The Supervisory Board consists of four members. Hans Snijders was appointed at the end of 2014. Fieke van der Lecq and Hein Brand were appointed on 22 June 2015. Daphne de Kluis was appointed as from 12 October 2021.



### Hans Snijders

**Chair of the Supervisory Board,**  
**Member of the Nomination and Remuneration Committee**  
**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. His past positions include division chair of Syntrus Achmea and Chief Executive of Achmea Investment Management, member of Ordina's Executive Committee and directorate member of Cadans and Relan. Hans Snijders is also Chairman of the Supervisory Board of ContextLogic B.V., Director of Stichting Bedrijfstakpensioenfondsvoor de Bouwnijverheid and Supervisory Director of Rabobank Helmond Peel Noord.

### Hein Brand

**Member of the Supervisory Board**  
**Chair of the Nomination and Remuneration Committee**  
**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 Supervisory Director of Wereldhave, Supervisory Director of Cocon Vastgoed B.V., a member of the Advisory Board of Nieuwgeluk Beheer B.V. and an external member of NNIP's Investment Committee for Alternative Investments.



### Fieke van der Lecq

**Member of the Supervisory Board**  
**Chair of the Audit & Risk Committee**

Fieke van der Lecq (1966) is Professor of Pension Markets at VU Amsterdam. She is also Supervisory Director of Achmea Investment Management, Supervisory Director of Arriva Nederland, Supervisory Director of Luchtverkeersleiding Nederland, a member of the Audit Committee of Stichting Pensioenfondsvoor de Bouwnijverheid and chairwomen of the Audit Committee of Stichting Pensioenfondsvoor de Bouwnijverheid IBM & Kyndryl Nederland. Her other positions include Chairwoman of the Stichting Beheer KPMG Deferred Payments and member of the board of the Monuta Stichting. She is also the nominee of Syntrus Achmea's Client Council.



### Daphne de Kluis

**Member of the Supervisory Board**  
**Member of the Audit & Risk Committee**

Daphne de Kluis (1969) was appointed to Achmea's Executive Board in October 2021. She holds a master's degree in Business Psychology (University of Amsterdam). De Kluis joined ABN Amro in 1998. She held various positions in Commercial Clients en Corporate & Institutional Banking and became in 2009 Global Head of Debt Solutions and in 2013 Global Head of Financial Restructuring & Recovery. In 2017 she was appointed as CEO Commercial Banking and became a member of the Executive Committee.

On December 31, 2021 de Kluis has been responsible for the Pension & Life division, Achmea Pension Services division, Achmea Investment Management division, Achmea Bank and Syntrus Achmea Real Estate & Finance. Since October 12, 2021, de Kluis has been a Supervisory Director of Achmea Bank N.V., Achmea Investment Management B.V. and Syntrus Achmea Real Estate & Finance B.V. She has been Executive Director under the articles of association of Achmea Pensioen- en Levensverzekeringen N.V.

### Proportional distribution of Supervisory Board composition

Syntrus Achmea strives for an proportional 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 two men and two women.



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## CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2022 (AMOUNTS X € 1,000)

	Note	31-12-2022	31-12-2021
<b>Assets</b>			
<i>Fixed assets</i>			
<b>Intangible fixed assets</b>			
Software	1	1,806	10,953
<i>Current assets</i>			
<b>Receivables, prepayments and accrued income</b>			
Trade receivables	2	593	107
Fees to be invoiced	3	7,853	9,946
Receivables from group companies	4	3,024	2,745
Other receivables	5	143	207
Prepayments and accrued income	6	42	382
		11,655	13,387
Cash and cash equivalents	7	55,323	36,331
<b>Total</b>		<b>68,784</b>	<b>60,671</b>

	Note	31-12-2022	31-12-2021
<b>Equity</b>			
<i>Group equity</i>			
Share capital	8	18	18
Share premium	9	20	20
Other reserves	10	46,909	45,449
Unappropriated result for the financial year	11	7,012	1,460
		<b>53,959</b>	<b>46,947</b>
<b>Liabilities</b>			
<i>Provisions</i>			
Other provisions	12	626	900
		<b>626</b>	<b>900</b>
<i>Current liabilities</i>			
Payables to group companies	13	4,736	2,935
Taxes	14	1,863	2,070
Fee invoiced in advance	15	4,322	4,756
Accruals and deferred income	16	3,278	3,063
		<b>14,199</b>	<b>12,824</b>
<b>Total</b>		<b>68,784</b>	<b>60,671</b>

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**CONSOLIDATED INCOME STATEMENT FOR 2022** (AMOUNT X € 1,000)

	Note	2022	2021
Real estate management fee		42,998	38,896
Mortgages management fee		45,523	44,573
Group companies management fee		39,978	33,595
Development fee		4,922	3,199
International real estate management fee		5,474	4,427
Acquisition and disposal fee		335	168
Fee discount		-2,224	-1,908
<b>Total revenue</b>		<b>137,006</b>	<b>122,950</b>
Personnel expenses	17	-67,751	-71,106
General administrative expenses	18	-59,789	-49,841
<b>Total expenses</b>		<b>-127,540</b>	<b>-120,947</b>
<b>Operating result</b>		<b>9,466</b>	<b>2,003</b>
Interest expenses		-21	-44
<b>Profit before tax</b>		<b>9,445</b>	<b>1,959</b>
Corporate income tax	19	-2,433	-499
<b>Profit after tax</b>		<b>7,012</b>	<b>1,460</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR 2022** (AMOUNTS X € 1,000)

	Toelichting	2022	2021
Profit after tax		7,012	1,460
<b>Total result</b>		<b>7,012</b>	<b>1,460</b>

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## CONSOLIDATED CASH FLOW STATEMENT FOR 2022 (AMOUNTS X € 1,000)

	Note	2022	2021
<b>Cash flow from operating activities</b>			
Operating result		9,466	2,003
Adjusted for:			
Depreciation/amortization costs	1	9,147	4,747
		<b>18,613</b>	<b>6,750</b>
<i>Changes in operating capital:</i>			
Change in receivables		1,732	2,523
Change in current liabilities		1,375	-6,145
		<b>3,107</b>	<b>-3,622</b>
Change in provisions	12	-274	-136
Corporate income tax	19	-2,433	-499
<b>Cash flow from business operations</b>		<b>19,013</b>	<b>2,493</b>
Interest charges		-21	-44
<b>Cash flow from operating activities</b>		<b>18,992</b>	<b>2,449</b>

	Note	2022	2021
<b>Cash flow from investment activities</b>			
Software investments/disposals	1	0	-523
<b>Cash flow from investment activities</b>		<b>0</b>	<b>-523</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>18,992</b>	<b>1,926</b>
Cash and cash equivalents as at 1 January	7	36,331	34,405
Cash and cash equivalents as at 31 December	7	55,323	36,331
<b>Change in cash and cash equivalents</b>		<b>18,992</b>	<b>1,926</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 2021</b>	<b>18</b>	<b>20</b>	<b>44,912</b>	<b>537</b>	<b>45,487</b>
Addition to 2020 result	0	0	537	-537	0
2021 result	0	0	0	1,460	1,460
<b>Balance as at 31 December 2021</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>

## 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 Verzekeringdiensten 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 2022.

## 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 2022 consolidated financial statements, including the comparative figures for 2021, 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 profit and loss account.

### 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. This considers the probability that future transactions or events with a certain financial consequence will occur within a certain period. 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.

### Changes in accounting policies

In 2022, the company did not make any changes to 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 and interpretations that apply as from 2021 have no significant effect on the company's consolidated financial statements:

- IAS 16 – Property, plant and Equipment – revenue recognition before the asset is ready for its intended use.
- IFRS 3 – Business Combinations – new guidance on measurement, derecognition, presentation and disclosures;
- IAS 37 – Provisions – costs of onerous contracts.

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**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 five 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 Syntrus Achmea.

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 estimated economic lives for the main items of property, plant and equipment are as follows:

- Office fittings and equipment 5-10 years
- Other operating assets 3 years

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 Syntrus Achmea 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 through 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*

Syntrus Achmea 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.

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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 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 corporation 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 setoff 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. Subsequent measurement is at amortised cost.

### **G. Liquid assets**

Liquid assets 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.

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**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.

**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. Deferred tax assets and liabilities**

Deferred tax assets and liabilities are included for amounts of corporate income taxes to be paid or received in future periods because of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are measured at the tax rates applicable at the end of the reporting year, or at the rates applicable in future years insofar as these have already been determined by law. The measurement of deferred tax assets and liabilities takes account of the tax consequences arising from how the company expects to realise or settle the carrying amount of its assets and liabilities on the balance-sheet date. Deferred tax assets and liabilities are not discounted.

**L. 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 Syntrus Achmea 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 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 unobservable inputs as possible.

**Revenue**

The company's activities consist mainly of managing assets invested in real estate and real estate-related products. The payment that the company receives for this purpose is recognised under management fees. Revenue is recognised in the year in which it is earned. Advance invoices sent during the year are deducted after the end of the year in the final settlement. The fee revenue from management is based on the average 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. This fee revenue is deemed to

be earned from the moment construction starts; this means that the irrevocable permit under the Dutch Environment and Planning Act has been received and the turnkey agreement has been formalised with the project developer. It is assumed in relation to this irrevocable permit that most of the supervisory work has been completed and there are no objections that could hinder or bring the construction to a halt. For the supervision of development projects of existing objects, turnover is realized in proportion to the project progress.

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

Under IFRS 15, there is one specific type of obligation to perform for each client contract and there are no partial obligations.

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 (contract liabilities under 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 profit and loss account, 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 liquid assets. Interest income is included in cash flow from operating activities.

## CONSOLIDATED FINANCIAL STATEMENTS

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## NOTES TO THE CONSOLIDATED BALANCE SHEET (AMOUNTS X € 1,000)

1. Intangible fixed assets	2022	2021
<b>Software investments</b>		
<b>Balance as at 1 January</b>	<b>10,953</b>	<b>15,177</b>
<b>Investments</b>		
Balance as at 1 January	18,694	18,171
Investments	0	523
Disposals	0	0
<b>Balance as at 31 December</b>	<b>18,694</b>	<b>18,694</b>
<b>Amortization and impairments</b>		
Balance as at 1 January	7,741	2,994
Amortization	9,147	4,368
Disinvestments	0	0
Impairments	0	379
<b>Balance as at 31 December</b>	<b>16,888</b>	<b>7,741</b>
<b>Balance as at 31 December</b>	<b>1,806</b>	<b>10,953</b>

The higher amortization relates to the accelerated depreciation of the Force application (by early 2023) because of the decision to make the mortgage business more professional by moving to a 1-Hypotheekstraat (single mortgage path). The impairment analysis does not show any necessary impairment. The carrying amount of the Force application as at the end of 2022 was €1.0 million (at the end of 2021 €9.8 million).

2. Trade receivables	31-12-2022	31-12-2021
Accounts receivables	593	107
Provision for doubtful debts	0	0
<b>Balance as at 31 December</b>	<b>593</b>	<b>107</b>

All accounts receivable have been received in 2023.

3. Fees to be invoiced	31-12-2022	31-12-2021
Fees to be invoiced	7,853	9,946
<b>Balance as at 31 December</b>	<b>7,853</b>	<b>9,946</b>

The fees to be invoiced consist of acquisition, disposal, development and management fees. The development fee to be invoiced is the fee that may be invoiced once construction has started. The management fee to be invoiced is 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	31-12-2022	31-12-2021
Achmea Pensioen en Levensverzekeringen N.V.	0	644
Achmea Bank N.V.	3,024	2,101
<b>Balance as at 31 December</b>	<b>3,024</b>	<b>2,745</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 2023.

5. Other receivables	31-12-2022	31-12-2021
Other receivables	143	207
<b>Balance as at 31 December</b>	<b>143</b>	<b>207</b>

The other receivables mainly relate to expenses still to be charged to clients.

6. Prepayments and accrued income	31-12-2022	31-12-2021
Prepaid expenses	42	382
<b>Balance as at 31 December</b>	<b>42</b>	<b>382</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	31-12-2022	31-12-2021
Current account at Coöperatieve Rabobank U.A.	49,614	30,590
Current account at ING Bank N.V.	5,709	5,741
<b>Balance as at 31 December</b>	<b>55,323</b>	<b>36,331</b>

Although there is no restriction on the free availability of the cash and cash equivalents, the conditions of the AIFMD authorisation include the obligation to keep €19,8 million in cash and cash equivalents (or assets readily convertible to cash in the short term).

## 8. Share capital

The company's authorised capital is €90,800 (2020: €90,800), consisting of 90,800 shares of €1 each. 18,160 of these shares have been issued and fully paid up (2020: 18,160 shares).

## 9. Share premium

The share premium as at 31 December 2021 is €20,000 (2020: €20,000)

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## NOTES TO THE CONSOLIDATED BALANCE SHEET (AMOUNTS X € 1,000)

10. Other reserves	2022	2021
<b>Balance as at 1 January</b>	<b>45,449</b>	<b>44,912</b>
2020 Result	0	537
2021 Result	1,460	0
Dividend distribution	0	0
<b>Balance as at 31 December</b>	<b>46,909</b>	<b>45,449</b>

On the Executive Board's motion, the Annual General Meeting of Shareholders resolved on 29 April 2022 to credit the entire 2021 result to other reserves.

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

### 11. Unappropriated result for the year

The Executive Board proposes to the General Meeting that the profit after tax for 2021, amounting to €7.0 million be added to the other reserves. This proposal has not yet been included in the financial statements.

The Executive Board intends to pay a final dividend for 2022 in accordance with the dividend policy provided that the ICLAAP-requirements are met.

12. Other provisions	31-12-2022	31-12-2021
Restructuring provision	626	900
<b>Balance as at 31 December</b>	<b>626</b>	<b>900</b>

The other provisions have a term of shorter than one year. The movement in the other provisions is as follows:

	2022	2021
<b>Balance as at 1 January</b>	<b>900</b>	<b>1.036</b>
Addition	0	900
Release	-274	-187
Allocation	0	-849
<b>Balance as at 31 December</b>	<b>626</b>	<b>900</b>

### Restructuring provision

To make the mortgage business more professional, the company decided to move to a 1-Hypotheekstraat (single 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 [Wet Overgang Onderneming]. The company has recorded a provision of €626,000 for this purpose.

Other restructuring provisions are provided centrally at Achmea; related costs are charged to and settled with Syntrus Achmea in the relevant year.

13. Payables to group companies	31-12-2022	31-12-2021
Achmea Interne Diensten N.V.	4,587	2,935
Achmea Pensioen en Levensverzekeringen N.V.	149	0
<b>Balance as at 31 December</b>	<b>4,736</b>	<b>2,935</b>

This is an amount owing to an 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 2023.

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## NOTES TO THE CONSOLIDATED BALANCE SHEET (AMOUNTS X € 1,000)

14. Taxes	31-12-2022	31-12-2021
Corporate income tax	-198	490
Value added tax	2,061	1,580
<b>Balance as at 31 December</b>	<b>1,863</b>	<b>2,070</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. Fee invoiced in advance	31-12-2022	31-12-2021
Fee invoiced in advance	4,322	4,756
<b>Balance as at 31 December</b>	<b>4,322</b>	<b>4,756</b>

The fee invoiced in advance relates firstly to development projects for which the invoicing dates differ from the date when 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	31-12-2022	31-12-2021
Variable remuneration	1,209	1,325
Employee expenses to be paid	0	36
Invoices to be received	2,069	1,702
<b>Balance as at 31 December</b>	<b>3,278</b>	<b>3,063</b>

The variable remuneration for 2022 is an estimate based on past data and relevant information from the company and Achmea. Invoices to be received are the best possible quantification of services for which no invoice has yet been received in the reporting year.

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

<b>17. Employee expenses</b>	<b>2022</b>	<b>2021</b>
Salaries and wages	37,954	37,620
External employee expenses	9,982	12,045
Pension charges	9,631	12,107
Social security contributions	2,517	2,256
Travel expenses	1,453	1,111
Healthcare insurance	1,701	1,740
Allowances	230	418
Training courses	695	638
Recruitment expenses	62	68
Other employee expenses	3,526	3,103
	<b>67,751</b>	<b>71,106</b>

*Employee expenses*

The decrease in the employee expenses in 2022 compared to 2021 is mainly due to a decrease in the number of FTEs as a result of optimizations within the real estate domain of Syntrus Achmea, lower pension charges as a result of CAO adjustments and higher reorganization costs as a result of the 1-OAP change.

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

	<b>2022</b>	<b>2021</b>
Salaries and wages	1,071	1,064
Pension charges	342	442
	<b>1,413</b>	<b>1,506</b>

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

<b>(number of FTEs)</b>	<b>2022</b>	<b>2021</b>
Mortgages	164	174
Real Estate	99	107
Indirect/ Staff	162	171
	<b>425</b>	<b>452</b>

Achmea Interne Diensten N.V., an operating company of Achmea B.V., employs everyone working at the company, including the directors. 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 2022, the Supervisory Board members were remunerated for their activities. The Supervisory Board's remuneration was:

	<b>2022</b>	<b>2021</b>
Total fixed remuneration	116	116

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

<b>18. General administrative expenses</b>	<b>2022</b>	<b>2021</b>
Costs charged by group	26,556	24,948
Mortgage servicing and originating costs	12,611	9,806
Project and automation costs	7,230	6,177
Consultancy and information costs	1,838	1,968
Costs relating to laws and regulations	731	749
Office accommodation costs	0	-22
Public Relations	795	629
Contributions	288	472
Office expenses	80	130
Real estate acquisition	206	213
Amortisation expenses on software	9,147	4,368
Software impairments	0	379
Other expenses	307	24
	<b>59,789</b>	<b>49,841</b>

*Costs charged by group*

The costs charged by group of Achmea Interne Diensten N.V. increased by €1.6 million because of the increase in FTE in 2021 compare to 2020 because of the expansion of the mortgage activities in the context of project Optimaal.

*Mortgage servicing and originating costs*

The mortgage servicing and origination fee relate to the costs associated with the outsourcing of these activities. Costs increase due to increasing production volumes. Last year, these costs were presented as part of the project and automation costs.

*Project and automation costs*

Project and automation costs were €1.1 million higher in 2022 than in 2021. This increase was mainly caused by the strategic projects Real Connect and 1-Hypotheekstraat.

*Costs relating to laws and regulations*

The costs relating to laws and regulations are the costs relating to CDD (Customer Due Diligence) and Privacy projects.

*Amortization expenses on software*

Amortization expenses increased by €4.8 million because of the accelerated depreciation of the mortgage system related to the 1-Hypotheekstraat project.

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The following fees of the audit firm EY and the other parts of EY have been charged to the company:

**TOELICHTING OP DE GECONSOLIDEERDE WINST EN VERLIESREKENING** (BEDRAGEN X € 1.000)

	2022	2021
Audit of the financial statements	78	60
Other audit services (particularly ISAE 3402)	269	261
	<b>347</b>	<b>367</b>

In 2022, €78,000 (2021: €61,000) was accounted for in respect of the audit of the financial statements.

**19. Corporate income tax**

The corporate income tax expense is calculated as follows:

	2022	2021
Profit before tax	9,445	1,959
<b>Taxable result</b>	<b>9,445</b>	<b>1,959</b>
Corporate income tax payable for the reporting period in the current financial year	2,437	490
Other adjustments for previous financial years	-4	9
<b>Corporate income tax expense</b>	<b>2,433</b>	<b>499</b>

**20. 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 liquidity risk, credit risk and market risk, including interest-rate risk and currency risk.

*Liquidity risk*

Liquidity risk is the risk that the company will encounter problems in complying with obligations associated with its financial commitments that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, insofar as possible, that it has sufficient liquidity to comply with its obligations when they fall due, both under normal and stress conditions, without incurring unacceptable losses or risking the company's reputation.

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

The current liabilities of €14.2 million as at the end of 2022 (2021: €12.8 million) are all due within three months of the balance-sheet date. The cash and cash equivalents (€55.3 million at the end of 2022) 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.

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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. and ING Bank N.V. (€49.6 million and €5.7 million respectively). 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 fee 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 amortization of various account-receivable balances, categorized 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 2022	Up to 30 days	31-60 days	61-120 days	>120 days	Total
Expected credit 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>

Balance as at 31 December 2021	Up to 30 days	31-60 days	61-120 days	>120 days	Total
Expected loss rate	0%	0%	0%	0%	0%
Trade receivables	107	-	-	-	107
Fees to be invoiced	9,946	-	-	-	9,946
<b>Impairment</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

There have been no previous material amortization. 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 2022 financial year accounted for in the consolidated profit and loss account.

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

Mutation AuM	-15%	-10%	-5%	0%	5%	10%	15%
Real estate management fee	-7.3	-4.8	-2.4	48.5	2.4	4.8	7.3
Mortgages management fee	-6.8	-4.6	-2.3	45.5	2.3	4.6	6.8
<b>Total effect</b>	<b>-14.1</b>	<b>-9.4</b>	<b>-4.7</b>	<b>94.0</b>	<b>4.7</b>	<b>9.4</b>	<b>14.1</b>

The above table shows that Syntrus Achmea's total management fee (€94 million) for the 2022 financial year would decrease by €9.4 million if the size of the investments on 31 December 2022 were to decrease by 10% on 1 January 2023. 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 2023, the result for Syntrus Achmea's 2022 financial year would increase by €4.7 million.

*(i) Currency risk*

The company has an extremely limited exposure to currency risk. It is exposed to 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.

The fee revenue invoiced in USD in 2022 was around €118,000 (2021: €106,000). If USD increases or decreases by 5%, the result increases or decreases by around €6,000.

*(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 financial year-end, the balance on the bank accounts was €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 €553,000.



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**Financial instruments**

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

	Note	31-12-2022	31-12-2021
<b>Financial assets at amortized cost</b>			
Trade receivables	2	593	107
Fees to be invoiced	3	7,853	9,946
Receivables from group companies	4	3,024	2,745
Cash and cash equivalents	7	55,323	36,331
<b>Assets</b>		<b>66,793</b>	<b>49,129</b>
<b>Financial liabilities at amortised cost</b>			
Payables to group companies	13	4,736	2,935
Pre-invoiced fees	15	4,322	4,756
<b>Liabilities</b>		<b>9,058</b>	<b>7,691</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.

**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 2022, 22 potential acquisitions were recorded, for which €206,000 in costs were incurred (2021: 19 acquisitions, €433,000). 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 corporation 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 clients. As at 31 December 2022, the outstanding offer pipeline amounted to €146 million (31 December 2021: € 158 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 2021: € 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 clients. As at 31 December 2022, the outstanding offer pipeline amounted to €607 million (31 December 2021: € 541 million). The funders for whom these offers were made (through the Achmea Mortgages Investment Platform) have undertaken to purchase the offer pipeline.

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**Guarantees toward 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. Stichting Pensioenfonds Achmea administers the pension scheme for the employees of the company and other members of the Achmea Group and 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 Particulieren Hypothekenfonds
- Stichting Tellius Hypothekenfonds

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.

**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 2022 amounted to €160.9 million (2021: € 145.2 million). As at 1 January 2021, Achmea Interne Diensten had prepaid all invoices for expenses and then settled them with the company on a monthly basis. All services and transactions with group companies are at arm's length.

**Achmea Balansmanagement**

Achmea Balansmanagement has outsourced part of the asset management of Achmea Pensioen- en Levensverzekeringen N.V. to the company. In 2022, the management fee charged for this purpose was €10.1 million (2021: € 7.9 million).

**Achmea Bank**

Achmea Bank has largely outsourced the management of its mortgage portfolio to the company. In 2022, the management fee charged for this purpose was €29.8 million (2021: € 25.6 million).

**Achmea Interne Diensten**

Achmea Interne Diensten provides services that come under Central Services (including accounts payable and Information Management & Information Technology/IT). In 2022, these services amounted to €120.9 million (2020: €111.7 million), including €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 2022, the Company's current account balance at Rabobank was €49.6 million (31 December 2021: € 30.5 million).

**Stichting Pensioenfonds Achmea**

Stichting Pensioenfonds Achmea (SPA) administers the pension scheme (defined contribution scheme) for the company's employees. Although Achmea B.V. has no control over SPA, it regards it as a related party. During the financial year, the company performed asset management activities for SPA's real estate portfolio. The management fee charged for this purpose was at market rates and amounted to €0 for 2022 (2021: €1,000).

**Transactions with in-house funds**

During the financial year, the company charged €50.1 million in management fees to the in-house funds (2020: €49.4 million).

## Subsequent events

In mid-2022, Achmea's Old Age Provision strategy was recalibrated, and a decision was made to operate from four new clusters in 2023: Mortgages & Financial Services, Real Estate, Pensions and Institutional Investments. This change will enable us to be even more responsive to our clients' needs.

To this end, we are preparing to split Syntrus Achmea Real Estate & Finance into the entities Achmea Mortgages Funds and Achmea Real Estate subject to obtaining the required authorisation. We aim to complete the split-up in mid-2023.

It transpired in late February 2023 that the planned migration of Force to Quion's mortgage system in March 2023 has been postponed to mid-2023. This has extended Force's estimated useful life from March 2023 to mid-2023. In accordance with IFRS, the adjustment of the useful life is recognized in 2023.

No further subsequent events occurred that are significant for the purpose of the 2022 Annual Report.

# Company financial statements 2022



# FINANCIAL STATEMENTS COMPANY FINANCIAL STATEMENTS 2022

## BALANCE SHEET AS AT 31 DECEMBER 2022 (AMOUNTS X €1,000)

	Note	31-12-2022	31-12-2021
<b>Assets</b>			
<i>Fixed assets</i>			
<b>Intangible fixed assets</b>			
Software investments	1	1,806	10,953
<b>Financial assets</b>			
Subsidiaries	21	504	498
		<b>2,310</b>	<b>11,451</b>
<i>Current assets</i>			
<b>Receivables, prepayments and accrued income</b>			
Trade receivables	22	593	85
Fees to be invoiced	23	6,797	9,060
Receivables from group companies	24	10,658	12,646
Other receivables	25	76	81
Prepayments and accrued income	26	37	174
		<b>18,161</b>	<b>22,046</b>
Cash and cash equivalents	27	43,955	24,749
<b>Total assets</b>		<b>64,426</b>	<b>58,246</b>

	Note	31-12-2022	31-12-2021
<b>Liabilities</b>			
<i>Equity</i>			
Share capital	8	18	18
Share premium	9	20	20
Other reserves	28	46,909	45,449
Unappropriated result for the financial year	29	7,012	1,460
		<b>53,959</b>	<b>46,947</b>
<i>Provisions</i>			
Other provisions	30	479	688
		<b>479</b>	<b>688</b>
<i>Current liabilities</i>			
Payables to group companies	31	1,930	23
Taxes	32	2,040	4,256
Pre-invoiced fees	33	4,322	4,756
Accruals and deferred income	34	1,696	1,576
		<b>9,988</b>	<b>10,611</b>
<b>Total liabilities</b>		<b>64,426</b>	<b>58,246</b>

## CONSOLIDATED FINANCIAL STATEMENTS

## COMPANY FINANCIAL STATEMENTS

**PROFIT AND LOSS ACCOUNT FOR 2022** (AMOUNTS X €1,000)

	Note	2022	2021
Real estate management fee		42,998	38,896
Mortgages management fee		33,674	35,091
Group companies management fee		6,245	5,711
Development fee		4,922	3,199
International real estate management fee		5,474	4,427
Acquisition and disposal fee		335	168
Fee discount		-2,224	-1,908
<b>Total revenue</b>		<b>91,424</b>	<b>85,584</b>
Personnel expenses	17	-52,796	-52,474
General administrative expenses	18	-28,947	-22,454
<b>Total expenses</b>		<b>-81,743</b>	<b>-74,928</b>
Interest income and charges		449	125
<b>Profit before tax</b>		<b>10,130</b>	<b>10,781</b>
Corporate income tax		-2,610	-2,710
Share in profit/loss of subsidiaries	35	-508	6,611
<b>Result of ordinary activities after tax</b>		<b>7,012</b>	<b>1,460</b>

## Notes to the company 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. Subsidiaries	31-12-2022	31-12-2021
Holding in Syntrus Achmea Hypotheekdiensten B.V.	0	0
Holding in Syntrus Achmea Verzekeringsdiensten B.V.	504	498
<b>Balance as at 31 December</b>	<b>504</b>	<b>498</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 subsidiaries, the holding is measured along with other long-term receivables. As a result, the negative equity as at 31 December 2022 of €7.3 million (2021: €6.8 million negative) was deducted from the intercompany receivable of €18 million. The result of this holding in 2022 was negative €0.6 million.

Syntrus Achmea Real Estate & Finance made a capital contribution of € 8.5 million on 15 March 2023 to clear the equity of Syntrus Achmea Hypotheekdiensten B.V.

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)

	2022	2021
Balance as at 1 January	498	490
Result for financial year	6	8
<b>Balance as at 31 December</b>	<b>504</b>	<b>498</b>

The net asset value of Syntrus Achmea Verzekeringsdiensten B.V. as at 31 December 2022 was €504,000 (2021: €498,000). 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.

22. Trade receivables	31-12-2022	31-12-2021
Accounts receivable	593	85
Provision for doubtful debts	0	0
<b>Balance as at 31 December</b>	<b>593</b>	<b>85</b>

All accounts receivable have been received in 2023.

23. Fees to be invoiced	31-12-2022	31-12-2021
Fees to be invoiced	6,797	9,060
<b>Balance as at 31 December</b>	<b>6,797</b>	<b>9,060</b>

The fee to be invoiced consists of an acquisition, development and management fee. The development fee to be invoiced is the fee that may be invoiced once construction has started. 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.

24. Receivables from group companies	31-12-2022	31-12-2021
Syntrus Achmea Hypotheekdiensten B.V.	10,658	226
Achmea Hypotheken B.V.	0	12,008
Attens Hypotheken B.V.	0	9
Achmea Interne Diensten N.V.	0	403
<b>Balance as at 31 December</b>	<b>10,658</b>	<b>12,646</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. In accordance with IAS 28.38, Syntrus Achmea Hypotheekdiensten B.V.'s negative equity of €7.3 million has been deducted from the current account of €18.0 million.

Receivables from group companies are measured at amortised cost. This value approximates the fair value.

25. Other receivables	31-12-2022	31-12-2021
Other receivables	76	81
<b>Balance as at 31 December</b>	<b>76</b>	<b>81</b>

The other receivables relate to services rendered. These have a term of less than one year.

26. Prepayments and accrued income	31-12-2022	31-12-2021
Prepayments and accrued income	37	174
<b>Balance as at 31 December</b>	<b>37</b>	<b>174</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.



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**NOTES TO THE SEPARATE BALANCE SHEET** (AMOUNTS X €1,000)

<b>27. Cash and cash equivalents</b>	<b>31-12-2022</b>	<b>31-12-2021</b>
Current account at Coöperatieve Rabobank U.A.	38,246	19,008
ING Bank N.V.	5,709	5,741
<b>Balance as at 31 December</b>	<b>43,955</b>	<b>24,749</b>

The company has an AIFMD authorisation 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 2022, the minimum liquidity requirement under the AIFMD is €19,8 million.

<b>28. Other reserves</b>	<b>2022</b>	<b>2021</b>
Balance as at 1 January	45,449	48,845
2020 Result	0	-3,233
2021 Result	1,460	0
Negative equity in Syntrus Achmea Hypotheekdiensten B.V.	0	-163
<b>Balance as at 31 December</b>	<b>46,909</b>	<b>45,449</b>

On the Executive Board's proposal, the company's General Meeting resolved on 29 April 2022 to credit the entire 2021 result to other reserves. The company maintains a capital buffer to cover the business risks to which it is exposed. This capital buffer complies with the ICLAAP requirements.

**Statement of changes in separate equity**

	Accruing to shareholders				Total
	Share capital	Share premium	Other reserves	Undistributed profit	
<b>Balance as at 1 January 2021</b>	<b>18</b>	<b>20</b>	<b>48,845</b>	<b>-3,233</b>	<b>45,650</b>
Addition to 2020 result	0	0	-3,233	3,233	0
Adjustment of Syntrus Achmea Hypotheekdiensten's negative equity*	0	0	-163	0	-163
2021 Result	0	0	0	1,460	1,460
<b>Balance as at 31 December 2021</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>

\* In 2021, the difference in equity between the consolidated and separate financial statements from 2020 was recovered. Given the limited impact of this difference, recovery occurred prospectively through an adjustment in the other reserves in 2021.

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

The Executive Board proposes to the General Meeting that the profit after tax for 2022, amounting to € 7,0 million, be added to the other reserves. This proposal has not yet been included in the financial statements.

The Executive Board intends to pay a final dividend for 2022 in accordance with the dividend policy provided that the ICLAAP-requirements are met.

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**NOTES TO THE SEPARATE BALANCE SHEET (AMOUNTS X €1,000)**

<b>30. Other provisions</b>	<b>31-12-2022</b>	<b>31-12-2021</b>
Restructuring provision	479	688
<b>Balance as at 31 December</b>	<b>479</b>	<b>1,036</b>

The other provisions have a term of longer than one year and shorter than five years. The movement in the other provisions was as follows:

	<b>2022</b>	<b>2021</b>
<b>Balance as at 1 January</b>	<b>688</b>	<b>1,036</b>
Addition	0	688
Release	-209	-187
Allocation	0	-849
<b>Balance as at 31 December</b>	<b>479</b>	<b>688</b>

*Restructuring provision*

To make the mortgage business more professional, the company decided to move to a 1-Hypotheekstaat (single 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 [Wet Overgang Onderneming]. The company has recorded a provision of €479,000 for this purpose.

Other restructuring provisions are provided centrally at Achmea; related costs are charged to and settled with Syntrus Achmea in the relevant year.

**31. Payables to group companies**

<b>31. Payables to group companies</b>	<b>31-12-2022</b>	<b>31-12-2021</b>
Achmea Interne Diensten N.V.	1,436	0
Achmea Pensioen en Levensverzekeringen N.V.	494	0
Syntrus Achmea Verzekeringsdiensten B.V.	0	23
<b>Balance as at 31 December</b>	<b>1,930</b>	<b>23</b>

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

<b>32. Taxes</b>	<b>31-12-2022</b>	<b>31-12-2021</b>
Corporate income tax	-21	2,701
Value added tax	2,061	1,555
<b>Balance as at 31 December</b>	<b>2,040</b>	<b>4,256</b>

The above liabilities are settled through Achmea B.V.

<b>33. Fee invoiced in advance</b>	<b>31-12-2022</b>	<b>31-12-2021</b>
Fee invoiced in advance	4,322	4,756
<b>Balance as at 31 December</b>	<b>4,322</b>	<b>4,756</b>

The fee invoiced in advance relates 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.

## CONSOLIDATED FINANCIAL STATEMENTS

## COMPANY FINANCIAL STATEMENTS

## NOTES TO THE SEPARATE BALANCE SHEET (AMOUNTS X €1,000)

34. Accruals and deferred income	31-12-2022	31-12-2021
Invoices to be received	658	420
Variable remuneration	1,038	1,134
Employee expenses to be paid	0	22
<b>Balance as at 31 December</b>	<b>1,696</b>	<b>1.576</b>

## NOTES TO THE SEPARATE PROFIT AND LOSS ACCOUNT (AMOUNTS X €1,000)

35. Share in profit/loss of subsidiaries	2022	2021
Share in the result of Syntrus Achmea Hypotheekdiensten B.V.	-514	-6,619
Share in the result of Syntrus Achmea Verzekeringen B.V.	6	8
	<b>-508</b>	<b>-6,611</b>

Syntrus Achmea Hypotheekdiensten's result has been adversely influenced by the start of the Achmea Mortgages Investment Platform at the end of 2020, aimed at further growth in assets under management.

## Off-balance sheet assets and liabilities

## Credit facility

The company has provided a credit facility to:

- Achmea Hypotheken B.V. capped at €20 million. This facility ends December 31, 2023. The interest rate is the 12-month Euribor rate plus a spread of 1.5 percentage points.
- Syntrus Achmea Hypotheekdiensten B.V. capped at €19 million. This facility ends December, 31 2024. The interest rate is the 12-month Euribor rate plus a spread of 1.5 percentage points
- Syntrus Achmea Verzekeringdiensten B.V. capped at €0.5 million. This facility ends December 31, 2027. The interest rate is the 12-month Euribor rate plus a spread of 1.5 percentage points.

## Comfort letter

On 26 September 2022, the company issued a comfort letter for its subsidiary Syntrus Achmea Hypotheekdiensten B.V. for a period of 12 months. In this letter, the company has indicated that it will assist in the fulfilment of obligations if they become due and payable, but only in the event that Syntrus Achmea Hypotheekdiensten B.V. has insufficient financial resources available to meet such due and payable debts.

## Signing of the 2022 financial statements

Amsterdam, 19 April 2023

### Executive Board

M.A.H.G. Hendrickx  
Finance Director and acting Chief Executive  
(director appointed under the articles of  
incorporation)

B. van der Gijp  
Real Estate Investments Director  
(director appointed under the articles of  
of incorporation)

B.G.R. Oudega  
Mortgage Investments Director  
(director appointed under the articles  
of incorporation)

### Supervisory Board

J.H.G. Snijders MBA  
Chairman

Drs. D.C. de Kluis

Drs. H.J.P.W. Brand

Prof. dr. S.G. van der Lec

# OTHER OTHER INFORMATION

## **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.

## **Independent auditor's audit opinion**

The audit opinion is included on the next page.

## 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 2022 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 2022 and of its result and its cash flows for 2022 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) 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 2022;
- the following statements for 2022: the consolidated and company income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows;
- the notes comprising a summary of the significant accounting policies and other explanatory information.

#### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of Syntrus Achmea Real Estate & Finance B.V 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 Syntrus Achmea Real Estate & Finance B.V. 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 32 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.

As in all of our audits, we addressed the risks related to management override of controls. For these risks we have performed procedures among others to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in 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 others the progress of the construction contracts. 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, management, internal audit (of Achmea B.V.), compliance, 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 'Going concern' on page 49 to the financial statement, 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-IFRS 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. 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 the internal control of Syntrus Achmea Real Estate & Finance B.V.;
- 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, 19 April 2023

Ernst & Young Accountants LLP

Signed by 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 66 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 499 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.

[www.syntrus.nl](http://www.syntrus.nl)

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