

SUMMARY ANNUAL REPORT

2017

CHAIRMAN'S MESSAGE	2
FOUR YEARS' KEY FIGURES	4
HIGHLIGHTS IN 2007	6
MISSION AND VISION	8
EUREKO IN PROFILE	9
EUREKO'S STRATEGY	10
SUPERVISORY BOARD REPORT	12
CORPORATE GOVERNANCE	14
EXECUTIVE BOARD	15
OPERATING RESULTS	17
BALANCE SHEET AND FINANCING	23
RISK MANAGEMENT	25
ORGANIZED FOR CUSTOMER SERVICE - PRODUCTS	26
EUREKO IN EUROPE	36
EUREKO PEOPLE	43
CORPORATE SOCIAL RESPONSIBILITY	46

CHAIRMAN'S MESSAGE

The Executive Board and all Eureko stakeholders can look back on 2007 with considerable satisfaction. After some drawbacks in the first half of the year, the second half of 2007 outperformed the same period in 2006, resulting in a stable (- 1%) full-year net profit in 2007 of €979 million (2006: €985 million). Eureko's total contribution of insurance and investment contracts in 2007 increased 5% to €15,610 million, excluding Agis (2006: €14,925 million).

In 2007, our 'power brands' again proved their strength in the challenging Dutch markets. Our non-life insurance business showed 9% premium growth despite strong competition and pressure on prices. Windstorm Kyrill had an impact of €132 million on our results. The value of new business in the life insurance business increased to €67 million, up 16%. Profit before tax of Eureko's total health business increased to €141 million despite excessive claims on supplementary health insurance policies. Total health business includes basic health insurance and supplementary health insurance with a combined loss of €-14 million, and occupational health insurance with a Profit before tax of €166 million. Results benefited from the good performance of our occupational health insurance business and lower provisions related to the financial consequences of premium setting for 2008 for basic health insurance. Another important contributor to net profit in 2007 was the contribution from our strategic position in the Polish insurer PZU.

In 2007, the Dutch market for unit-linked products came under pressure. In the past year there has been some negative publicity about this type of financial product. Several consumer interest groups argue that, in the past, information on these products was inadequate. In 2007, Achmea investigated its unit-linked policies from 1993 onwards. The overall conclusion is that Achmea adhered to the laws and regulations that were in force at the time of sale. This applies to the way products were structured and the costs incorporated as well as for other written information, such as brochures and policy conditions. In addition, in 2008, the recommendations of the De Ruiter Commit-

tee will be fully implemented. On 4 March 2008, the Ombudsman presented his recommendations. Eureko supports the recommendations, providing it will lead to a binding agreement supported by all stakeholders involved, including the whole sector, and the supervisory authorities. Eureko did not take any related provisions related in 2007.

Merger with Agis

As a result of the merger with health insurer Agis, which was closed in December, Eureko's Dutch operation Achmea has become the largest health insurance group in the Netherlands, with a total of 4.7 million persons insured, resulting in a market share of 29%.

Eureko in Europe

Outside the Netherlands, during the reporting year, Eureko has made considerable progress in implementing its growth plans in Central and Eastern Europe. The transaction with Turkish bank Garanti, in which Eureko acquired 80% of Garanti Bank's non-life insurance business and a 15% stake in its life insurance and pension operations (with an option to acquire a further 35%) included an exclusive long-term distribution agreement through Garanti Bank. The agreement with Garanti Bank resulted in a company name change and the 'Eureko Sigorta' brand was launched on the Turkish market.

Eureko's long-running dispute with the Polish government over the agreement to acquire further shares in state-owned insurer PZU has continued beyond the first phase of international arbitration. We have been very successful in the arbitration so far and, amongst others, won two appeals from the Polish Government. In February 2008, a 'negotiation memorandum' was concluded by the Polish government and Eureko to conduct negotiations and to work out a possible settlement.

Streamlined processes

We constantly strive to improve our cost-efficiency. We can achieve this with streamlined processes and shared

service centres. Examples of streamlined processes in 2007 include the formation of Achmea Rechtsbijstand (legal aid) and Achmea Schadeservice (non-life claims administration), whose services were formerly provided by several different service departments at brands Centraal Beheer Achmea, FBTO and Interpolis. In 2007, we announced the outsourcing of the infrastructure services of our IT systems to KPN, Getronics and Atos Origin.

Outlook

In 2008, we expect marginal growth and continued price competition in the non-life segment in the Dutch insurance market. The life segment is shrinking due to fierce competition and new legislation. We expect modest growth in pensions and some shrinkage in occupational health services. We expect to further improve our results in 2008 with our basic health insurance product and generate a profit in the supplementary health insurance market. Eureko will continue to focus on growth in the Central and Eastern Europe region. The merger process within Eureko is not confined to collecting different brands under one roof. In the Netherlands, it is a long-term streamlining process in which shared service centres will offer their services through a logically diversified and market-oriented front office. When it comes to this merger process Eureko is an organisation 'under construction' showing promising results. This goes hand-in-hand with continuous focus on employee morale and IT systems where cost control is an unavoidable focus. The Executive Board will focus on these challenges in 2008.

Developments in financial markets in the first months of 2008 may have their influence on our results. Eureko's total exposure to US sub-prime and UK non-conforming mortgage-related assets is less than € 25 million. If current equity market levels persist during the rest of the year, this will put a strain on the realisation of capital gains from investments. For Eureko, higher financing costs could be a consequence of the recent credit market turmoil. Operational expectations for 2008 are positive despite challenging markets. Eureko has built a diversified product

portfolio and a well-balanced distribution mix with top brands. We are a top three player in almost all segments of the Dutch market for insurance, pensions and employability. But we have only just begun. Synergic value creation, innovation and strengthened distribution lines will be the main themes in the coming years. And we will continue growing in the Central and Eastern Europe region.

On a final note, our thanks go to Ernst Jansen who retired from the Executive Board in October 2007. He was a tireless force behind the expansion of our international business, especially PZU. He is missed. Thanks are also due to all employees. Without their efforts Eureko would not be Eureko. Our gratitude further goes to the Central Works' Council, the Association Achmea and Rabobank for their constructive cooperation.

Maarten W. Dijkshoorn

Chairman and Chief Executive Officer

2 April 2008

FOUR YEARS' KEY FIGURES



KEY FIGURES

(€ MILLION)

	2007	2006	2005	2004
Gross written premiums	14,853	14,302	6,577	5,524
Contribution investment contracts	757	623	448	383
Profit before tax	1,041	1,215	826	386
Net profit	979	985	706	1,023
Number of employees (FTEs)	24,035	21,784	20,166	14,550
Insurance gross written premiums				
Life	4,417	4,464	2,807	2,312
Non-Life	2,915	2,684	1,699	1,477
Health	7,521	7,154	2,072	1,735
Banking				
Net interest margin	157	142	161	136
Net profit per Operating Company				
Achmea Benelux	622	757	467	297
Friends First Ireland	39	35	29	21
Império France	4	3	3	3
Interamerican Greece	6	25	-58	0
Union Slovakia	-8	-17	1	1
Eureko Sigorta Turkey	12	-	-	-
Other Operating Companies	2	9	6	-2
Group balance sheet				
Total assets	100,489	86,448	83,293	52,911
Total investments (excluding unit-linked)	40,328	38,736	39,062	23,500
Banking credit portfolio	18,035	17,272	16,459	16,942
Total equity	10,375	9,632	8,525	3,251
Embedded value Life business	6,374	6,089	4,537	2,348


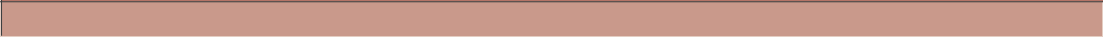
NET PROFIT

(€ MILLION)

2007		979
2006		985

TOTAL EQUITY

(€ MILLION)

2007		10,375
2006		9,632

KEY RATIOS

(%)

	2007	2006	2005	2004
Group				
Return on equity	9.7	13.0	12.7	10.9
Return on adjusted equity	12.9	14.7	16.9	17.1
Debt leverage	11.0	6.1	9.6	12.8
Insurance				
Combined ratio Non-Life	96.4	88.5	89.9	92.6
Combined ratio Health	99.0	100.4	94.5	97.4
Banking				
Cost/income ratio	77.7	84.2	72.2	103.9
BIS ratio	12.9	14.2	16.0	13.5
Figures per ordinary share (€)				
Net profit	2.92	2.92	2.98	1.74
(Proposed) dividend	1.41	1.41	1.41	1.96

PROFIT BEFORE TAX

(€ MILLION)

Total 2007 € 1,041 million

Total 2006 € 1,215 million

Life

2007	470
2006	533

Non-Life

2007	296
2006	474

Health

2007	141
2006	47

Banking

2007	48
2006	13

Other

2007	86
2006	149

HIGHLIGHTS IN 2007

JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
<p>In line with its focus on developing international ambitions over the coming years, Eureko announces changes in some Executive Board portfolios, effective 4 April 2007.</p> <p>–</p> <p>Windstorm Kyrill, that hit the Netherlands on 18 January 2007, causes Achmea (part of the Eureko Group) a loss of around €132 million.</p>	<p>Achmea Hypotheekbank successfully launches its covered bond programme. The first issue is heavily oversubscribed.</p>	<p>Eureko enters a brand-new market by acquiring the insurance business of Garanti Bank of Turkey and entering a long-term exclusive distribution partnership with Garanti Bank.</p>	<p>Eureko announces satisfactory full-year results over 2006.</p>	<p>Eureko sells 9.1% of its 19.6% shareholding in F&C Asset Management plc in order to reallocate capital to core business.</p>	<p>Achmea and major Dutch health insurer Agis announce intention to merge.</p> <p>–</p> <p>The Eureko-Garanti partnership is closed. The acquired insurance activities are re-branded Eureko Sigorta.</p>

JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
<p>Union Slovakia receives a prestigious national award for 'Innovation of the year' – the SMS-based travel and mountain rescue insurance product. A first in Europe.</p> <p>–</p> <p>Interamerican Greece becomes sponsor of the City of Athen's re-cycling programme.</p>	<p>Interim results announced: Eureko is on course.</p> <p>–</p> <p>Eureko Achmea Foundation and Interamerican Greece respond to the plight of victims of the fires that swept Greece with a donation of € 300,000.</p>	<p>Avéro Belgium takes the prestigious Decavi 2007 awards for both car and fire insurance.</p>	<p>Vice Chairman of the Executive Board Ernst Jansen retires but remains a supervisory director of a number of Eureko companies.</p> <p>–</p> <p>'Eureko – Academy of the Future', the second nationwide contest for students of state and private universities in Poland, is launched. The winner receives a € 50,000 cash prize and a year-long paid internship at Eureko.</p> <p>–</p> <p>Hosted by Interlife Cyprus, Eureko's first Agents' Conference attracts over 300 top-performing agents from around Europe.</p> <p>–</p> <p>Interamerican Romania launches pension products.</p>	<p>Friends First is named 'Best Company' in the national quality awards with the highest score ever awarded to any Irish company.</p>	<p>Achmea is to outsource the management of its IT infrastructure, entering into long-term contracts with Atos Origin, Getronics Pink-Roccade and KPN. A total of around 170 Achmea employees will be transferred to these companies.</p> <p>–</p> <p>Interamerican Greece and Oecumenica, a non-governmental organisation, provide aid to livestock farmers in Evoia. The region was devastated by last summer's fires and farmers had serious difficulty in finding food for their herds.</p> <p>–</p> <p>The Achmea/Agis merger is finalized on 31 December 2007.</p>

MISSION AND VISION

Eureko's vision is to be an integrated international financial services group with a clear and demonstrable focus on value creation. Our core business is insurance – life, non-life and health – and services relating to pensions and health.

Building on our cooperative roots, Eureko's mission is to achieve balanced value creation for all stakeholders: customers, distribution partners, shareholders and employees. Our aim is quality rather than price leadership. We achieve this mission through our commitment to being the best, most customer-centred and innovative financial services provider. We build continually on our reputation for quality and innovative services based on excellent delivery to meet customer needs.

From our leading position in the Dutch market, Eureko aims to position in Europe as an innovative player in all our markets. We have high ambitions for European expansion. We drive these goals by stimulating growth and transferring knowledge and best practice between operations in all 12 countries: Belgium, Bulgaria, Cyprus, France, Greece, Ireland, Luxembourg, the Netherlands, Poland, Romania, Slovakia and Turkey.

EUREKO'S CORE VALUES

Our core values have emerged from our cooperative tradition and our corporate mindset that focuses on creating value for stakeholders and achieving financial continuity now and into the future. In everything we do, we aim to 'unburden' our customers by:

EMPATHISING

We put people – be they customers, employees or business partners – at the heart of everything we do, aiming to understand their needs and concerns. By doing so, we are able to create value for all stakeholders.

INNOVATING

By always looking at our business from the customer's perspective, our people are challenged to develop innovative, superior products and services that meet the real needs of our most important stakeholder group – the clients.

DELIVERING

We aim to deliver financial continuity, quality performance, a great working environment and customer satisfaction by being reliable and transparent in everything we do.

TO 'UNBURDEN' THE CLIENT

EUREKO IN PROFILE

Active in 12 countries, Eureko is the holding for a group of strong, successful insurance brands. We are different from the majority of competitors as our main shareholders are cooperative organisations. As a result, our mindset is a balanced stakeholder approach, rather than primarily shareholder in orientation.

Eureko's goal is to create value for all our equally important stakeholders: customers, distribution partners, shareholders and employees. At Eureko, creating value is about more than simply offering a full, competitive range of insurance and other financial products and services under our top brands through an equally full range of distribution channels – direct writing, broker and bank. It is about seeing service from the customer's perspective. 'Insurance' has a role in every aspect of our customers' lives – health, income, pensions, home, the things they value. So we are continually searching for innovative ways to create value for our customers through the certainty insurance should provide.

We believe that creating this level of value for customers, whether they are corporate or individuals, ultimately creates value for our other stakeholders. By offering more attractive products and services, our distribution partners are better able to achieve excellence. Employee satisfaction and motivation is a goal in itself. We work continually on creating a working environment that will enable our people to be at their best. In combination, innovative products developed and delivered by committed people generate greater value for our shareholders.

A financially-healthy organisation is a precondition for pursuing and sustaining this four-stakeholder focus. In the Netherlands, our original home market, competition is fierce. We are realists, understanding that growth in the saturated Dutch market is limited. This means that in the longer term, a considerable part of our growth will be generated outside the Netherlands. From our strong position in the Netherlands, we have laid the foundations for internationalisation through building presence in a select group of European markets, primarily in Central and Eastern Europe, adding Turkey in 2007. The current size of our European business is not yet in line with our ambition. However, from a viable base in a number of markets, we are growing into a truly international Group.

We are continually searching for opportunities that will enable us to build on our value creation for stakeholders, both in the Netherlands and in Europe, not least because this approach informs our corporate social responsibility. Eureko plays a leading role in discussions with government and interest groups to co-determine the financial services playing field. In fact, socially responsible entrepreneurship is vital for creating value for all our stakeholders; it forms the basis for our financial and operational health into the future.

EUREKO'S STRATEGY

While Eureko has a dominant position in its original domestic market – the Netherlands, its European activities are still a comparatively small, but growing component. This means that strategies have been defined to accommodate the differences in these markets. What unites all activities in all markets is the pursuit of profitable growth in existing brands, specifically through ongoing innovation and cost efficiency, and by entering into partnerships with like-minded organisations, such as the cooperative Rabobank and Turkey's Garanti Bank. In addition, we search out similarly like-minded merger partners to stimulate growth. In 2007, Agis, a major Dutch health insurer with a cooperative background, joined the Group, and we acquired a majority stake in a leading insurer in Turkey, already re-branded Eureko Sigorta.

STRATEGY IN THE NETHERLANDS

At Eureko, we distinguish between so-called mature and maturing markets. The Netherlands is one of the most mature in Europe and is close to saturation. All near to medium-term indications are that the total Dutch insurance market can expect only limited growth and even a decline in some business lines. This market reality informs our strategic approach; our aim is quality rather than cost leadership. We see opportunities for ongoing growth through continually innovating new, demand-driven products and services. We already have market-leading positions in all sectors under our Achmea umbrella brand. Our aim is to maintain and grow that position through strategic focus on development of four key business drivers:

Strong distribution channels

In all our distribution, we aim to increase our commercial strength through offering customers multi-media access and control. In combination with continual innovation in our products and services, this will, we believe, give new momentum to a saturated market. For this reason, we are in the process of constructing multi-media communication channels for all our brands, specifically internet. Our direct distribution division is further positioning its two brands, Centraal Beheer Achmea and FBTO, along target customer lines, with FBTO eventually migrating to an internet-based provider. Our bank distributor is firmly focused on developing insurance products that match Rabobank's integrated financial services concepts. In our brokerage division, we will focus activities on marketing and sales. This is also an area where we see acquisition as a tool for

further growth. The brokerage division is already making full use of back-office and other synergies.

Innovative value propositions

The development of products and services created from a customer perspective is approached in two ways. First, we develop 'simple', i.e. straightforward, user-friendly and easily understood products for all our distribution channels, building on our current offering. Second, we will develop new, complementary products.

Operational excellence and cost efficiency

The merger with Interpolis in 2005 led us to develop a strategic approach to implementing the newly combined organisation. The reporting year, 2007, was our first full year. The divisional structure we have put in place is transforming the Eureko Group in the Netherlands. Synergies are being achieved in both products and services and distribution by streamlining processes. These synergies are based on combined back offices with brand-specific front-office services to customers. As Achmea is a group of strong brands, often brought into the Eureko Group through merger or partnership, this process is ongoing and will take some time. We believed the Achmea/Interpolis integration programme would take three years. Half way through that process, we are well on track. Our systems are currently being aligned in a phased process, supported by some infrastructural outsourcing, to achieve synergy and the cost efficiencies it will generate.

Selective acquisitions & divestments

There are limited merger and acquisition opportunities in the Dutch market; our main priority is to acquire established broker businesses. Divestments of non-core activities will be evaluated on their merits, especially if these operations could perform better in a different organisational context.

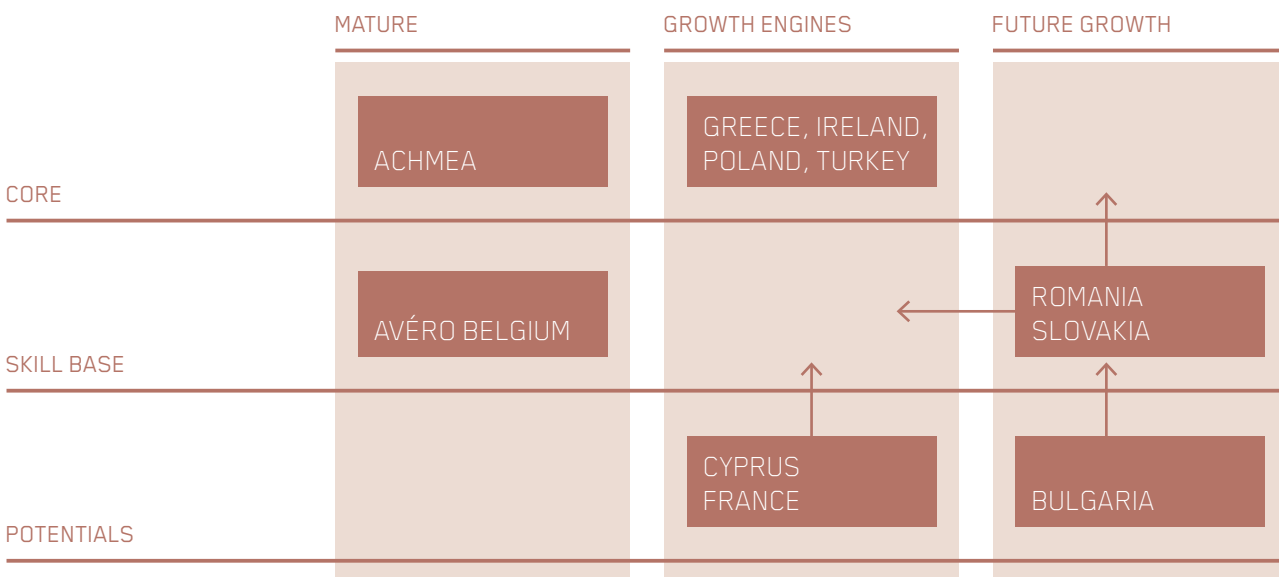
STRATEGY IN EUROPE

The key driver behind Eureko's European strategy is the recognition that a greater geographic spread is in the interests of all stakeholders. A significant share of value will be generated in our European markets. The Netherlands is a fully mature market and Europe, especially, but not exclusively, Central and Eastern, still offers significant opportunities for growth. Forecasts are that, in the longer term, there will be consolidation in the European insurance sector. If Eureko is to position strongly in the new European constellation, it must have a substantial base.

To achieve this position, our strategy is:

- Focused on growing and expanding existing activities, particularly in Central and Eastern Europe. Our activities across Europe are in different stages of development. To create value as a Group, it is essential that Eureko shares best practices across the operating companies. A targeted and ambitious business plan has been developed by each operating company. Functional strategies that bridge the current gap between Eureko's overall strategy and current operating company goals and targets have been put in place. These strategies are known as Flying Squad projects.
- In addition to this organic growth, proactive merger and acquisitions strategies for both existing and new European markets have been put in place.
- Resolution of the PZU Poland issue so that we can fully develop the potential of this significant market.
- Intensifying cooperation with partners and partner groups, such as Rabobank, MillenniumBCP, Garanti Bank and Eurapco; strengthening our position in the more mature European markets.

COUNTRY/MARKET STRATEGY



SUPERVISORY BOARD REPORT

For Eureko's Supervisory Board, the reporting year was a period devoted to the Group's main strategic priorities. Key issues in 2007 were targeted merger & acquisition projects, resulting in Agis joining the Group as an eighth division. Negotiations with Garanti Bank of Turkey led to Eureko's acquisition of 80% of the Bank's Non-Life insurance business, Garanti Sigorta A.S., and a 15% stake in Garanti Emeklilik ve Hayat A.S., Garanti's Life and Pensions business. The transaction also provides Eureko with an option to acquire a further 35% of Garanti Emeklilik. A long-term agency agreement with Garanti, covering both operating companies' current and new business, means bank distribution is assured into the future.

Synergy targets

The Supervisory Board was closely involved in monitoring progress on expected synergies resulting from the Achmea/Interpolis merger in the Netherlands. The process is on track but challenges are presented by integrating a number of legacy IT systems. This requires considerable investment to create the solid infrastructure through which the Group can gain the undoubted synergetic benefits and advantages.

PZU in Poland

The ongoing dispute with the Polish government on the privatisation of PZU, in which Eureko has a considerable stakeholding, was a continual topic throughout the year. At year-end, initial meetings with government representatives offer some hope of an amicable resolution to this long-running dispute.

Innovation

In a very mature market, such as the Netherlands, customer-focused innovation is a strategic tool for ongoing growth in the business. The Executive Board has kept us informed of projects for innovative development, also as a means for growing the Group's international business through best practice and knowledge sharing.

Business planning 2008 - 2010

The Supervisory Board was fully apprised of the Executive Board's proposed strategy and business plans for the period 2008 - 2010 and has approved the strategy and business plans.

2007 FINANCIAL STATEMENTS AND DIVIDEND

The financial statements have been audited by KPMG Accountants N.V. They have issued a qualified opinion. The qualification relates to Eureko's share in PZU's Net profit and Total equity. In accordance with the proposal of the Executive Board and the recommendation of the Audit Committee, the Supervisory Board endorses the adoption by shareholders of the 2007 Financial Statements and the profit appropriation. As well as adopting the Financial Statements, the General Meeting is requested to discharge the members of the Executive Board from all liability in respect of their management and to discharge the members of the Supervisory Board from all liability in respect of their supervision for the year under review, 2007. Upon adoption of the Financial Statements and the profit appropriation, ordinary shareholders will receive a dividend of € 1.41 per ordinary share, and payable in cash and/or stock, according to shareholder preference.

In 2007, Executive Board Vice Chairman Ernst R. Jansen retired. Our thanks are due to him for his commitment to Eureko. At the end of a satisfactory year, we would like to take this opportunity to thank the Executive Board and all the 24,000 Eureko people across Europe for their hard work, commitment and especially the innovative way they are growing the business.

Arnold Walravens

Chairman of the Supervisory Board

2 April 2008

SUPERVISORY BOARD REPORT

HOW EUREKO IS SUPERVISED

COMMITTEES OF THE SUPERVISORY BOARD

Audit Committee

Erik van de Merwe	Chairman
Marinus Minderhoud	Member
Bé van der Weg	Member

Remuneration Committee

Bouke Yntema	Chairman
Marinus Minderhoud	Member
Henk Slijkhuis	Member
Lense Koopmans	Member
Arnold Walravens	Member

Appointment and Selection Committee

Arnold Walravens	Chairman
Marinus Minderhoud	Member
Lense Koopmans	Member
Henk Slijkhuis	Member
Bouke Yntema	Member

SUPERVISORY BOARD

Arnold H.C.M. Walravens (1940)

Chairman, Dutch nationality, was appointed in 2000, term expires in 2008.

Marinus Minderhoud (1946)

Vice Chairman, Dutch nationality, was appointed in 2004, term expires in 2008.

Flip J.F. Buurmeijer (1940)

Dutch nationality, was appointed in 2007, term expires in 2012.

Lense Koopmans (1943)

Dutch nationality, was appointed in 2005, term expires in 2009.

Lense Koopmans (1943)

Dutch nationality, was appointed in 2005, term expires in 2009.

Erik A.J. van de Merwe (1950)

Dutch nationality, was reappointed in 2006, term expires in 2010.

Paul F.M. Overmars (1945)

Dutch nationality, was appointed in 2005, term expires in 2009.

Henk J. Slijkhuis (1946)

Dutch nationality, was appointed in 2003, term expires in 2008.

Martial Stambouli (1947)

French nationality, was appointed in 2007, term expires in 2012.

Antoon J.A.M. Vermeer (1949)

Dutch nationality, was appointed in 2005, term expires in 2009.

Bé J. van der Weg (1943)

Dutch nationality, was re-appointed in 2006, term expires in 2010.

Bouke Y. Yntema (1943)

Dutch nationality, was appointed in 2000, term expires in 2009.

CORPORATE GOVERNANCE

Eureko B.V. is a private company with limited liability with its statutory seat in Amsterdam and head offices in Zeist, both in the Netherlands. Unlisted European companies and associations with cooperative roots are our main shareholders. Although in real terms Eureko is governed, organised and managed in the same way as any major listed organisation, its cooperative origins drive the way governance is structured at Supervisory Board and shareholder level.

Corporate Governance Code and Principles

From 2004, the Dutch Corporate Governance Code (the Code) has been embedded by both listed and non-listed companies alike. It sets out clear governance principles on a 'comply or explain' basis. For Eureko, the primary 'deviations' relate to how its Supervisory Board is composed. In addition, when Eureko's Dutch activities, Achmea, merged with Rabobank's insurer, Interpolis, in 2005, the Group further adopted new Corporate Governance Principles aimed specifically at its post-merger divisional structure and the accountabilities and responsibilities of each division, staff department and the Executive Board.

Eureko shareholders

Vereniging Achmea ('Achmea') is Eureko B.V.'s main shareholder with 54.37% of the ordinary shares as per 21 December 2007. Achmea is a legal entity that has members. These members are representatives of the policyholders or customers, a primary stakeholder group for Eureko. Achmea's objectives include promoting the interests of customers and members and participating in financing (participations in) activities that are conducive to Eureko's goals. Following the merger with Interpolis, parent Rabobank holds 39.47% of the ordinary shares. Other shareholders include members of the Eurapco Alliance of independent European financial services providers.

Co-ordination Committee

In the merger agreement between Achmea and Interpolis, it was decided to establish a Co-ordination Committee with representatives from the Achmea Association and Rabobank. The Co-ordination Committee's role is to act as an advisory body on important issues for both the Supervisory and Executive Boards. Issues could be amendments to

Eureko's strategy and fundamental strategic transactions that could impact Eureko's strategy. However, the underlying principle is that the committee in no way influences the relationship between Eureko's Supervisory and Executive Boards or their tasks and powers, as set out in Eureko's Articles of Association, legislation and regulations. Furthermore, the Co-ordination Committee takes shareholder interests into account at all times.

Dividend policy

Eureko's dividend policy, formulated and implemented in 2004, consists of a stable (or slightly increasing) dividend per share, based on a pay-out ratio of 35% – 45% of normalised net profit attributable to ordinary shareholders. This policy promises shareholders a stable dividend, irrespective of short-term fluctuations in equity markets and non-recurring items affecting reported net profit.

For full information on Corporate Governance, please visit www.eureko.net

EXECUTIVE BOARD



Maarten W. Dijkshoorn (1950)

Chairman and Chief Executive Officer, Dutch nationality.

Began his career with insurer RVS. Appointed to the board of Nationale-Nederlanden in 1992. Joined Eureko in 2002. Appointed Chairman and CEO on 1 October 2005. He has overall responsibility for Eureko. His core responsibilities further include Group HR, internal audit and compliance, compliance and regulatory affairs, Eureko Life and Pensions, Achmea performance management, and Corporate Social Responsibility. In addition to supervisory directorships of a number of Eureko entities, he is a Member of the Senior Board of Banco Commercial Portugueses, and the Boards of the European Alliance Partners Eurapco and the Eureko Achmea Foundation. He also serves on the boards of a number of sector-related and charitable organisations.



Huub A.J. Hannen (1948)

Vice-Chairman, Dutch nationality.

Joined Interpolis in 1970 and held various positions before being appointed to the Board of Directors. Following the Achmea/Interpolis merger, appointed to the Executive Board on 28 November 2005. He is responsible for the pensions division, Group re-insurance and the social security business. Besides supervisory directorships of Eureko operating companies, he is a member of the Supervisory Boards of the St Lambertus/De Kreite, the General Educational Study Center and the Trimbos Institute. He is also a Supervisory Board member of the Art & Culture Pension and Life Insurance Company NV and of the Fundament Foundation.



Willem A.J. van Duin (1960)

Dutch nationality.

Joined the Group in 1987. Held various positions at holding level and in both the health and broker distribution divisions before being appointed to the Executive Board in 2004. Currently responsible for the health division, the bank and broker distribution divisions, legal and the Agis division, he is a supervisory director of a number of Eureko operating companies. He is on the board of the Dutch Association of Health Insurers, the Health Insurers' Innovation Fund and the Dutch Association of Insurers. He is a supervisory director of Agis. Furthermore he is a board member of a number of charitable foundations in the Netherlands.



Gerard van Olphen (1962)

Dutch nationality.

Following senior positions in insurance and finance, appointed CFO and member of the Eureko Executive Board in 2002. In 2007, he became responsible for Eureko's international strategy, including performance management and innovation. His portfolio also includes Poland, IT, direct distribution, Staalbankiers and Group business development and Group information management. He is a Supervisory Director of a number of Eureko entities, including Eureko Sigorta, and is a member of the Supervisory Board of PZU Poland. Furthermore, he is a supervisory board member of the Weekblad Pers Groep and a member of Vangnet HBO.



Roel Th. Wijmenga (1957)

Chief Financial Officer, Dutch nationality.

Taught at the Erasmus University. Held various board positions at AMEV and Fortis ASR. He joined the Board of Interpolis in 2003, becoming a member of the Eureko Executive Board on 18 November 2005. In April 2007, he replaced Gerard van Olphen as CFO. Responsible for overall performance management and all Group financial functions: finance and control, investments, tax, actuarial, capital management and treasury. His portfolio further includes Achmea Bank and the Financial Services Centre. He is chairman of Dutch Association of Insurers' Center for Insurance Statistics' Board in addition to his supervisory directorships of a number of Eureko entities.



Thomas C.A.M. van Rijckevorsel (1954)

Dutch nationality.

Joined ABN AMRO after graduating in law at Leiden University. Moved to Rabobank in 1991. From 1994, responsible for international private banking, and from 2006 Head of Private Clients, overseeing bancassurance and Rabobank and Eureko/Achmea joint insurance activities (including Interpolis). Appointed to the Executive Board as of 1 April 2008. Responsibilities include Achmea Bank, Group audit and risk services, Achmea facility services, overall and international performance management, and Achmea corporate relations. He is a supervisory director of Greenfee B.V. and Rabo Wielerploeg B.V.

Company secretary: Wim Janssens

Deputy company secretary: Annick R.M. Wychgel

OPERATING RESULTS

In 2007, Eureko made significant progress on its strategic aim of creating value. Net profit was stable at €979 million compared to €985 million in 2006. The 1% decrease reflects the effect of Windstorm Kyrill (€-132 million Profit before tax) which was compensated by tax benefits from an agreement on prior year loss relief and participation exemptions. Large claims due to major fires further impacted Profit before tax, which, at €1,041 million was down 14% on the previous year (2006: €1,215 million). Total contributions insurance and investment contracts increased by 5% to €15,610 million from €14,925 million in 2006. Total equity improved by 8% to €10,375 million from €9,632 million in 2006. Return on adjusted equity was 12.9%, from 14.7% in 2006.

MARKET DEVELOPMENTS IN THE NETHERLANDS

During 2007, the following developments characterised Dutch insurance markets.

Life

Total new production in Dutch individual life insurances declined by 12% in 2007 compared to 2006. In this declining market, Achmea has lost 1% market share, from 17% to 16%. Nevertheless, we were able to gain market share in almost all separate individual life insurance market segments except for 'life annuities'. As these products account for a considerable share in our total new production, the gained market shares are offset by life annuities, resulting in a decline of 1%.

Main developments during 2007 were the change in fiscal regulations, the announcement of the introduction of 'banksparen' in 2008 and the discussion on unit-linked insurances. These developments led many people to postpone their life insurance decisions. They also led to a further shift from unit-linked policies to traditional life insurances (guaranteed with profit-sharing).

Pension Services

On the edge between public and private, Achmea is a dominant provider of administrative services to pension funds. New legislation in 2007 heavily impacted the business and the performance. Our aim is to cooperate with pension funds not only by delivering services, but also by support-

ing their boards in the growing complexity of both the pension business and underlying assets and liabilities. In the Dutch market, the landscape for pension services is influenced by new entrances and possible consolidations.

Non-Life

The size of the Dutch non-life sector grew slightly compared to 2006. It is a saturated market, under pressure from strong pricing competition. Achmea increased its market share from 20.5% in 2006 to 21.3% in 2007. Especially our power brands, Centraal Beheer Achmea, FBTO and Interpolis, showed strong performances by introducing innovative products. The non-life market was challenged by some exceptional events during 2007, specifically Windstorm Kyrill, which led to total damages of €330 million, and the large number of major fires, accounting for €446 million in damages.

Health

After the liberalisation of the health system in 2006, in 2007, focus was on operating excellence, health procurements and client satisfaction. Premiums and conditions for 2008 have been adjusted to bring them in line with actual claim levels. Achmea is market leader with a market share of 29% (including the merger with Agis).

OPERATING RESULTS

BUSINESS LINE | LIFE

OPERATING RESULTS BY BUSINESS LINE | LIFE (€ MILLION)

	2007	2006
Gross written premiums	4,417	4,464
Contribution investment contracts	757	623
Total contributions	5,174	5,087
Technical result	264	169
Profit before tax	470	533
Embedded value	6,374	6,089
Value added by new business	67	58

Eureko's Life business operates in the Netherlands, Ireland, Greece, France, Slovakia, Romania and Cyprus. In 2007, Life accounted for 30% of Eureko's total gross written premiums, compared to 31% in 2006.

Gross written premiums were down 1% at €4,417 million. Single premiums decreased by 10% to €1,784 million, whereas annual premiums rose 6% to €2,633 million.

Business outside the Netherlands also includes investment contracts. This type of contract focuses strongly on investment and contains no or minimal insurance risk.

For that reason, their contributions are not included in the gross written premiums. In 2007, Eureko's investment contract business showed considerable growth by 22%, resulting in total growth in contribution of insurance and investments contracts of 2%.

Profit before tax decreased from €533 million in 2006 to €470 million for 2007. The main drivers are extraordinary results in 2006 due to increased interest rates, whereas 2007 interest rates were more stable. Furthermore, capital gains on investments were lower.

The value added by new business (VNB) increased by 16% from €58 million to €67 million (on consistent 2006 economic assumptions the increase was 12%), reflecting sustained growth in sales of high-margin products at Friends First (+13%) and an improved contribution of Dutch operations to the value added by new business (+16%).

TOTAL CONTRIBUTIONS PER COUNTRY 2007

	(%)	(€ MILLION)
The Netherlands	75	3,886
Greece	4	182
Ireland	18	947
France	2	113
Other	1	46
Total:	100%	5,174

TOTAL CONTRIBUTIONS PER COUNTRY 2006

	(%)	(€ MILLION)
The Netherlands	77	3,910
Greece	4	241
Ireland	16	801
France	2	92
Other	1	43
Total:	100%	5,087

EMBEDDED VALUE

The following information is a high-level overview of embedded value development in 2007. Eureko's full 2007 Embedded Value Report is published separately.

An embedded value provides an estimate of the value of the shareholders' interest in a life insurance operation, excluding any value that may be generated from future new business. The embedded value is the sum of the shareholders' net worth (required capital plus free capital surplus) and the value of in-force business.

Eureko applies the European Embedded Value (EEV) principles published by the CFO Forum, for the valuation of the Life business. The Life business is the business reported as such to local regulators in the territories where Eureko operates, excluding, on grounds of materiality, the value of in-force business for the smaller operating companies.

OPERATING RESULTS

BUSINESS LINE | LIFE

EMBEDDED VALUE SUMMARY

(€ MILLION)

	2007	2006
Required capital	1,925	1,956
Embedded Value Free Surplus	2,474	2,248
Shareholder Net Worth	4,399	4,204
Value of In-Force Life Business before cost of required capital and Financial Options and Guarantees (FOGs)	2,921	2,702
Cost of required capital	-690	-678
Cost of FOGs	-256	-139
Value of In-Force Life Business	1,975	1,885
Embedded Value	6,374	6,089

Eureko's embedded value increased by 5% to €6,374 million. Shareholder net worth increased €195 million after dividends and capital transfers. The required capital and the cost of required capital are comparable to last year.

BUSINESS LINE | NON-LIFE

OPERATING RESULTS BY BUSINESS LINE | NON-LIFE

(€ MILLION)

	2007	2006
Gross written premiums	2,915	2,684
Technical result	253	374
Profit before tax	296	474
Net claims ratio (%)	67.2	60.6
Net expense ratio (%)	29.2	27.9

Eureko's Non-Life business operates in the Netherlands, Turkey, Greece, Belgium, Slovakia, Romania, Bulgaria and Cyprus. Eureko also has re-insurance operations in Ireland and Luxembourg. Non-Life accounted for 20% of Eureko's gross written premiums in 2007.

Due to strong advertising and marketing campaigns, innovative products and a strong product range, Achmea managed to increase gross written premiums in the saturated non-life insurance market in the Netherlands by 3%. Total gross written premiums increased 9% from €2.7 billion to €2.9 billion, due mainly to 16% growth in Greece, 6% growth in Belgium and the acquisition of Garanti Sigorta, later rebranded Eureko Sigorta.

GROSS WRITTEN PREMIUMS PER COUNTRY

2007 (%) (€ MILLION)

	(%)	(€ MILLION)
The Netherlands	85	2,473
Greece	5	162
Belgium	4	121
Turkey	4	115
Other	2	44
Total:	100%	2,915

GROSS WRITTEN PREMIUMS PER COUNTRY

2006 (%) (€ MILLION)

	(%)	(€ MILLION)
The Netherlands	89	2,398
Greece	5	138
Belgium	4	114
Turkey	0	0
Other	2	38
Total:	100%	2,684

OPERATING RESULTS

BUSINESS LINE | NON-LIFE

Profit before tax

Profit before tax fell by 38%, from €474 million in 2006 to €296 million in 2007. The main driver behind this development is Windstorm Kyrill. Kyrill, which hit Western Europe on 18 January 2007, resulted in net claims of €132 million before tax. Besides Kyrill and compared to previous years, the Dutch non-life insurance market saw a sharp increase in large claims caused by fires. For Achmea this development resulted in an increase in large claims of €26 million compared to 2006.

Eureko Sigorta contributed €15 million to Profit before tax.

The net claim ratio increased from 60.6% in 2006 to 67.2% in 2007, primarily as a consequence of Windstorm Kyrill. If Kyrill is excluded, the claim ratio increased to 62.2% in 2007. This increase is mainly attributable to the increase in large claims and lower premium levels for new non-life policies due to strong competition in the Dutch market.

The net expense ratio increased 1.3% from 27.9% to 29.2%. Operating expenses increased due to the start up of projects, higher commission expenses at the broker distribution division and higher staff costs.

BUSINESS LINE | HEALTH

OPERATING RESULTS BY BUSINESS LINE | HEALTH (€ MILLION)

	2007	2006
Gross written premiums		
Basic health insurance	5,595	5,682
Supplementary health insurance	885	715
Occupational health insurance	772	717
Europe	269	40
Total gross written premiums	7,521	7,154
Health service revenues	303	304
Technical result	124	-65
Profit before tax	141	47

Eureko's Health business, covering private health insurance, occupational health insurance and health services, operates in the Netherlands, Slovakia, Greece and Romania. Health business accounted for 51% of total gross written premiums in 2007, compared to 50% in 2006. Health service activities in the Netherlands include disability prevention, healthcare and absenteeism prevention.

Gross written premiums in the health business, which include government contributions for basic health insurance, increased to €7,521 million from €7,154 million in 2006, of which health insurance in the Netherlands accounted for €6,480 million (2006: €6,397 million). The increase in the Netherlands is largely the result of a successful marketing campaign at the end of 2006 which generated 90,000 additional insured in 2007.

Profit before tax increased from €47 million in 2006 to €141 million in 2007, due mainly to substantially lower loss provisions for 2008 (compared to 2007) resulting from the financial consequences of premium setting for 2008 and to positive adjustments of the estimated settlement of 2005 and 2006.

OPERATING RESULTS

BUSINESS LINE | HEALTH

Since the new Dutch health insurance legislation came into force on 1 January 2006, Achmea is one of the largest players on the Dutch health market in terms of number of insured. After the merger with Agis on 31 December 2007, and based on the number of insured, Eureko became the largest player on the Dutch health insurance market with a market share of 29%.

GROSS WRITTEN PREMIUMS
PER COUNTRY

2007 (%) (€ MILLION)

	(%)	(€ MILLION)
The Netherlands	97	7,252
Slovakia	2	159
Greece	1	108
Other	0	2
Total:	100%	7,521

GROSS WRITTEN PREMIUMS
PER COUNTRY

2006 (%) (€ MILLION)

	(%)	(€ MILLION)
The Netherlands	99	7,114
Slovakia	0	0
Greece	1	38
Other	0	2
Total:	100%	7,154

BUSINESS LINE | BANKING

OPERATING RESULTS BY BUSINESS LINE | BANKING (€ MILLION)

	2007	2006
Income		
Net interest margin	157	142
Net commission income	12	11
Profit before tax	48	13
Banking credit portfolio	18,035	17,272
Of which: mortgages	14,560	14,674

Eureko is active in banking in the Netherlands through Achmea Bank (Achmea Hypotheekbank and Achmea Retail Bank) and Staalbankiers (private banking) and in Ireland with consumer finance operations through Friends First Finance.

The net interest margin rose 11%, from €142 million in 2006 to €157 million in 2007, due mainly to improved margins in mortgages and supported by increasing fair value impact of market interest rates and solid commercial performance in Ireland.

BANKING CREDIT PORTFOLIO

	2007 (%)	(€ MILLION)	2006 (%)	(€ MILLION)
Achmea Hypotheekbank	78	13,994	82	13,981
Staalbankiers	15	2,681	12	2,131
Achmea Retail Bank	3	565	2	431
Friends First Finance	3	627	3	497
Other	1	168	1	232
Total:	100%	18,035	100%	17,272

OPERATING RESULTS

HOLDING AND
OTHER ACTIVITIES

HOLDING AND OTHER ACTIVITIES	(€ MILLION)	
	2007	2006
Income		
Total income	556	517
Operating expenses	567	463
Interest and financial expenses	181	126
Other expenses	94	89
Total expenses	842	678
Profit before tax	-286	-161

'Holding and other activities' consists mainly of the following: pension administration services, asset management, and the Holding entities of Achmea Holding N.V. and Eureko B.V.

Total income increased from € 517 million in 2006 to € 556 million in 2007. Fee and commission income decreased from € 397 million in 2006 to € 367 million in 2007. This was caused by lower income by Friends First Liberty due to the slow down in commercial activity and write-down in property assets. Commission income by pension administration services also decreased. Operating expenses include regular amortisation charges on intangible assets related to mergers and acquisitions of € 91 million (2006: € 80 million).

Holding entities

More costs were incurred through strategic projects within the Shared Service Centres Achmea HR, Group Financial Services and staff departments. Besides, higher costs have been made due to a less favourable mix of internal and external personnel.

Assets under management

Assets under management on behalf of institutional clients increased to € 43 billion. Achmea Vastgoed's real estate asset management portfolio amounts to € 13 billion.

ASSOCIATED COMPANIES AND
PARTICIPATING INTERESTS

ASSOCIATED COMPANIES AND PARTICIPATING INTERESTS	(€ MILLION)	
	2007	2006
PZU	333	277
Other associated companies and participating interests	39	33
Profit before tax	372	310

PZU, Poland

For the measurement of Eureko's investment in PZU S.A. as at 31 December 2007, no published or audited financial data of PZU were available. Therefore, Eureko has made an estimate of its share in PZU's Total equity as at 31 December 2007 and of Net profit for the year. This estimate includes and adjustment on PZU's 2006 Net profit. Eureko's share in Net profit for the year 2007 amounts to € 333 million.

Other associated companies

In 2007, the result on our F&C Asset Management participation increased from € -25 million to € 30 million, mainly due to positive capital gains on the partial disposal of our participation. The remainder is mainly related to our participation in MillenniumBCP and Friends Provident. The stake in MillenniumBCP was increased during 2007 from 7.24% to 9.96%.

OPERATING RESULTS

BALANCE SHEET AND FINANCING

Total equity increased in 2007 to €10,375 million, from €9,632 million (+8%). The main sources of the €743 million increase are Net profit in 2007 of €979 million and the share capital increase of €677 million in connection with the merger with Agis. The increase was partly offset by the repurchase of shares from Covea and Friends Provident (€-505 million), the pay out of dividends and coupons on hybrid capital instruments (€-108 million), and revaluations (€-334 million).

Value driven

Eureko's external borrowings not allocated to its banking and finance operations amounted to €1,334 million at year-end 2007, against €698 million at year-end 2006. Debt leverage, measured as non-banking debt as a percentage of the sum of Total equity and non-banking debt, increased, from 6.1% to 11.0%. Non-banking debt excludes debt related to re-insurance contracts at Eureko Re amounting to €53 million (2006: €73 million).

Major funding issuances in 2007

Achmea Hypotheekbank successfully issued a total €4.1 billion and CHF 260 million in various public and private transactions under its new AAA/Aaa-rated covered bond programme with maturities between three and 10 years. All transactions were well received by investors.

RATINGS

At Group level, capital adequacy is measured based on Standard & Poor's capital adequacy model. Eureko seeks to maintain its Group capital and its capital structure in accordance with its rating targets as mentioned above. In its report of 28 March 2008, the rating agency rates Eureko's capital strength as 'very strong'.

STANDARD & POOR'S RATINGS

	TYPE	8 NOVEMBER 2007
Eureko B.V.	CCR	A-
Achmea Holding N.V.	CCR	A-
Achmea Pensioen- & Levensverzekeringen N.V.	CCR/IFSR	A+
Achmea Schadeverzekeringen N.V.	CCR/IFSR	A+
Achmea Zorgverzekeringen N.V.	CCR/IFSR	A+
	TYPE	8 NOVEMBER 2007
N.V. Interpolis BTL	CCR/IFSR	A+
N.V. Interpolis Schade	CCR/IFSR	A+
	TYPE	28 FEBRUARY 2007
Achmea Hypotheekbank N.V.	CCR (long term)	A-
	CCR (short term)	A-2
	Secured debt programme	A+
	TYPE	FEBRUARY 2007
Achmea Hypotheekbank N.V.	Covered bond programme (S&P's/Moody's)	AAA/Aaa

CCR: Counterparty Credit Rating
IFSR: Insurer Financial Strength Rating

OPERATING RESULTS

BALANCE SHEET AND FINANCING

REGULATORY ENVIRONMENT

Regulatory capital requirements apply to Eureka's regulated insurance and banking subsidiaries. The minimum solvency requirements imposed by local regulators for its insurance businesses are based on the Solvency I Directive.

REGULATORY

(€ MILLION)

	2007	EUREKO GROUP 2006	2007	INSURANCE ACTIVITIES 2006
Available Capital	8,926	8,143	7,777	7,003
Required Capital	3,853	3,404	3,318	2,972
Surplus Capital	5,073	4,739	4,459	4,030
Ratio Available / Required Capital	232%	239%	234%	236%
			2007	BANKING ACTIVITIES 2006
Core Capital - Tier-1			638	543
Available Capital			866	767
Risk Weighted Assets			6,692	5,387
Tier-I ratio			9.5%	10.1%
BIS ratio			12.9%	14.2%

RISK MANAGEMENT

The Executive Board is committed to further strengthening the risk management function at different levels in the organisation. At Eureko, the aim of risk management is to optimise the balance between risk and return and take only those risks on board which yield an adequate return, creating long-term value for stakeholders and securing the continuity and solvency of the Group.

Eureko continues to enhance its risk management framework, including the implementation of market-based principles into the Group's business planning and control processes and the embedding of those principles in the measurement and management of the Group's risk profile. The main external drivers are Solvency II, the new risk-based regulatory regime for European insurance companies, and IFRS 4 Phase II, which, among others, will require insurance companies to report insurance liabilities at market value in the balance sheet. Both are expected to be fully implemented by 2012. The further development of Economic Capital models and their use in decision-making at both division or operating company level and at Executive Board level will be critical to meet these challenges. In the past year, major steps were taken, particularly in our Dutch operations. The Value & Risk Programme, which seeks to bridge the gap between value-based management and traditional risk management, was successfully concluded at Group level. The principles and tools developed by the Programme will now be transferred to the Dutch divisions for implementation in the business

Eureko's risk governance is organised along three lines of defence, ensuring that risk management processes are embedded at every relevant level of the organisation. Division and operating company management have primary responsibility for the day-to-day management of risk and belong to the first line of defence. This line of defence also comprises some staff departments at Group level which are responsible for the management of the investment and re-insurance activities of the Dutch divisions.

The second line of defence includes five Group Risk Committees, each of which is chaired by an Executive

Board member and which further consist of a second Executive Board member and the directors of relevant staff departments.

The Group Operational Risk Committee (GORC).

The Group Financial Risk Committee (GFRC) was newly created during 2007 to coordinate the activities of three other specialised committees:

- The Group Insurance Risk Committee (GIRC).
- The Group ALM and Investment Committee (GAIC).
- The Group Capital and Liquidity Committee (GCLC).

The third line of defence is Eureko's Group Audit and Risk Services department which provides independent assurance on the effectiveness of the overall internal control infrastructure. Tools include the assessment of Internal Control Statements and Operational and Compliance Audits.

The Executive Board discusses risk management developments with the Supervisory Board and the Audit Committee on a regular basis.

ORGANISED FOR CUSTOMER SERVICE

In 2007, Eureka had seven divisions; from 2008, Agis forms an eighth division. Six focus on key sectors (health, occupational health and pensions) and distribution (bank, broker and direct) in the current core market – the Netherlands – under the Achmea umbrella brand. In combination, these divisions develop and distribute Achmea's products and services. The seventh is Division Europe which executes our international strategy. What unites all our divisions is organisation along clear lines of expertise. All work increasingly together to share that expertise and create service levels for customers and cost efficiencies that drive forward the goal of developing into an integrated group operating across Europe.

EUREKO IN THE NETHERLANDS

Achmea is the umbrella brand for some of the top names in Dutch insurance: Centraal Beheer Achmea, Zilveren Kruis Achmea, Interpolis, Avéro Achmea, FBTO and Agis. The value of name recognition is immense, so 'Achmea' is added only as a further indication of the individual brand's strength. At first sight, it could appear that many of the brands are in direct competition; many offer products and services in the same business line, such as pensions or healthcare. However, each has a specific target market and/or distribution channel. This operating structure lays strong foundations for the strategic goal of offering targeted and tailored branded products while benefiting from economies of scale in back-office administration and processes.

The market

The Dutch insurance market is mature and even saturated. Major changes in the market's structure have taken place over the past two years. In 2005, life insurance accounted for close to 50% of the total market, with non-life and health at approximately 25% each. In 2006, a new health insurance system, comprising basic and the already existing supplementary insurance, was imposed by government. This has led to a massive shift in health's share of the total market. Now, health accounts for almost 50% of the market, while life has a 35% share and non-life around 15%.

A second major shift is in distribution. The mix has changed just as dramatically in the same period, with the broker share falling from around half to the current 40% and bank channels now accounting for 10%. Direct distribution has

become the largest channel, and is still growing. This shift is due in part to the change in how health insurance is organized. It is now usually distributed directly, often through group policies. But it is also due to a change in customer behaviour. Increasingly, knowledgeable customers want more control. They want to choose (combinations of) products that are simple to understand with transparent pricing. They 'shop' around. The direct distribution channel, usually through internet, is increasingly the preferred medium for gaining information and making choices.

Innovations

We are firm believers in innovation as a way to meet our customers' changing needs. It is part of our mission. That is why we have set up a dedicated innovation department for the Netherlands - there is also a similar initiative for our Europe business. Innovation is a Group activity, so the department is organised at Holding level. Its task is to connect people and help them share knowledge and ideas so we innovate smart solutions for our customers.

ORGANISED FOR CUSTOMER SERVICE

HEALTH

KEY FIGURES HEALTH 2007

	€ MILLION	
	2007	2006
Gross Written Premiums Health	5,259	5,393
Fee and Commission Income	23	15
Number of FTEs	2,487	3,435



The recent liberalisation of the Dutch health insurance system led to a differentiation between basic health insurance that offers everyone basic insurance services, and the supplementary insurance packages that can be selected by the customer. Increasingly, both basic and supplementary health packages are being negotiated at group level. Employers, industry sectors, umbrella organisations and other consumer groups are joining forces to secure price and package advantages. What all customers want, whether groups or individuals, is the most transparent, highest quality, comprehensive and competitively-priced services. And they want local delivery.

Providing health services is a regional business. For the insurer, purchasing and making available these services locally has become perhaps the biggest priority, also in the fight for customers in a fiercely competitive market. Historically, Achmea's top brands were regionally based. This continues today, giving Achmea purchasing power and leverage to achieve top levels of quality, local service from healthcare providers for its customers. The addition of Agis to the Achmea Group is a strategic move, as this insurer is the major player in one of the Netherlands' most densely populated and ethnically diverse regions, covering the capital Amsterdam and areas to the north-west and north-east, and Utrecht and environs.

In a saturated market, customers tend to choose based on price and quality. The aim of all Achmea's top brands is to leverage our position to ensure providers work continually to improve the quality of care. In line with our quality leadership aims, we focus on providing services such as waiting-list mediation to help our customers speed up the process of diagnosis and treatment. In addition, by giving customers higher quality information, they are able to make better-informed decisions on their needs – and on their preferred insurer. All our brands are shifting their

customer communication and information focus from 'being ill' to 'staying healthy'. Customer communication, also through advertising, is geared to prevention and rapid recovery and, when incapacitated, to ways of enabling people to remain at home rather than in hospital (see sidebar).

In 2008, the health division will continue to improve the quality of information, especially on prevention. Responding to customer needs and a growing greying population, the focus will be on developing ways for seniors to remain in their own homes longer and to stimulate their vitality. In addition, focus on the five major killers in the Netherlands – heart disease, respiratory illness, cancer, diabetes (also as a result of obesity) and depression – will spearhead quality preventative information to customers. We expect future positive effects of knowledge sharing and best practices between Agis and Achmea.

Innovations

A series of infomercials with real customers in the leading roles screened in 2007. The infomercials focused on a number of innovations, such as at-home heart monitoring technology, activities to reduce obesity in youngsters, and an electronic pill box that automatically reminds people to take medication.

The Achmea Health Center concept was further expanded to offer access to our 27 centres nationwide. If our customers join up, then they receive a reduction on their basic health insurance premium.

The idea behind Habidrome is to build and renovate existing homes so that they are 'future-proof'. This can range from practical features to in-built care monitoring facilities – all facilities that will meet changing needs of a greying population. Achmea has taken a 10% stakeholding; for more, visit www.habidrome.com.

ORGANISED FOR CUSTOMER SERVICE

OCCUPATIONAL HEALTH

KEY FIGURES OCCUPATIONAL HEALTH 2007

(€ MILLION)

	2007	2006
Gross Written Premiums Health	687	578
Fee and Commission Income	147	110
Number of FTEs	2,217	2,512



This segment of the Dutch market is primarily driven by ongoing liberalisation, which is giving the customer, in this case usually the employer, more choice and us more opportunities to innovate in response. Legislation requires the self-employed, small and medium-sized enterprises (SMEs) and large companies to insure for absenteeism and disability, and, in the past 10 years, introduced changes in requirements on individual and group disability insurance. The complexity of social insurance rules and regulations is challenging for clients. In response, our occupational health division is working to offer clients fully integrated solutions. These comprise not only insurance, but also include a range of other, preventative services to reduce absenteeism and to improve productivity through stimulating employee vitality.

Income protection and the reduction of absenteeism is still our biggest activity. However, as our integrated solutions indicate, the focus is shifting. Increasingly, customers are recognizing the importance of prevention and work safety, especially as a means to reduce absenteeism. Besides the loss of production, long-term absenteeism especially can have far-reaching effects on employees. This recognition is driving a need for preventative services related to occupational health and work safety. These needs are not legislation driven, but have emerged from business continuity requirements. One response in this field, the award-winning *WerkAttent* programme, supports the rapid return to work of employees. It also covers the majority of costs incurred by employers through absenteeism, including salary.

While *WerkAttent* is distributed exclusively through Interpolis and partner Rabobank, our occupational health division is able to offer similar but differently branded products and services through other distribution channels. All occupational health products are available to all

customers, regardless of brand 'loyalty'. Avéro Achmea offers products through the broker channel while Centraal Beheer Achmea distributes via the direct channel (the latter was awarded the best internet insurer for income protection insurance in 2007). Synergies through combined back offices improve efficiency in distribution and in the cost base, a factor that is passed on to our customers wherever possible.

In 2008, the occupational health division will continue to drive its innovative 'V-Plan' service (see sidebar) and will be focusing on creating products for seniors. A comprehensive policy for SMEs, including health, disability and preventive services, is also in development.

Innovations

Vitality is seen as key to a healthy organisation by both employers and employees. Our response is the V-Plan, launched in 2007. This innovative service can be purchased by employers for personnel. The thinking behind V-Plan is that a vital, healthy employee will experience higher job satisfaction and be more productive. In turn, this generates benefits for the employer. V-online is an individualised internet service, helping people monitor and improve their vitality levels. It offers specialist advice on exercise and nutrition, activities and information on challenges such as smoking and alcohol. For employers, V-Plan management provides support on absenteeism through illness and targeted back-to-work programmes. At year-end 2007, more than 100 major corporations in the Netherlands had bought our new service.

Working closely with the health division, in 2007 programmes were set up to help people recover from illness at work, rather than by staying at home.

ORGANISED FOR CUSTOMER SERVICE

PENSIONS

KEY FIGURES PENSIONS 2007

	(€ MILLION)	
	2007	2006
Gross Written Premiums Life	1,253	1,235
Fee and Commission Income	325	301
Number of FTEs	2,943	2,821



Building pension is a way of life for the Dutch in the same way as income protection is embedded in the social system. The Netherlands' pension sector has long ranked as one of the world's largest, most regulated and most solvent. The pension system is based on a three-pillar structure: the state pension accrued by all residents; the industry or sector pension structure, based on collective labour agreements; and private pension plans. Our primary focus is on the so-called second pillar, industry and sector pensions.

Pension products are offered to the two key customer groups. We currently serve more than half of the Netherlands' 103 industry sector-based group pension schemes, offering administrative financial management, fund management and property investment services – see innovation sidebar on Syntrus Achmea. We also offer pension schemes directly to corporate clients ranging from small to major companies. Our goal is proposition leadership by providing excellent communication and administration at competitive cost levels. To achieve this we focus on reducing IT complexity and operational costs. In 2006, we selected our core platform for traditional products and we have developed a new platform for unit-linked products. We will migrate our legacy portfolios to these platforms through a combination of technical and commercial conversion. We will also increase focus on value creation rather than premium volume. We have introduced profit tests for all product groups and large contracts. In addition, we have a shared service centre for life and pension administration which services the Group.

While the Dutch pension structure is firmly embedded, it is subject to almost constant regulatory change. This complexity means our constituencies, the so-called 'social partners' – employers and employees, trades unions, industry sector organisations and companies – increasingly expect their pension fund managers and providers to

anticipate and manage change while simplifying products and processes. This business reality is driving the division's approach. Scale is crucial if we are to meet customer needs. It enables us to develop and offer a wide range of quality products and services based on expertise, multi-distribution power and (cost) efficiency.

The challenge in 2008 will be to reinforce our multi-channel distribution supported by dedicated sales teams providing customer intimacy. This represents an on-going challenge to our people, not least as we further integrate Interpolis and Achmea operations.

Innovations

Using its long-standing knowhow in pension structuring and bank distribution, the division successfully piloted a simple pension product for SMEs with bank distribution in 2006. The pilot proved successful and was rolled out in 2007.

Introducing Syntrus Achmea

What do our key clients want? The 'social partners', employers and employees, trades unions and industry sector organisations, want an integrated pension fund management service under a clear name with its own competence centre. This led to the creation of Syntrus, a contraction of 'synergy' and 'trust', that brings together Interpolis Pension and Asset Management, Achmea Real Estate and PVF Achmea. In addition, we established a customer Advisory Council on pensions. Besides regular discussions, the Council's role is to alert us to trends and developments in the pension sector. This recognition of the partnership essential to managing a key component in customers' income protection has been welcomed enthusiastically.

ORGANISED FOR CUSTOMER SERVICE

ACHMEA BANK



KEY FIGURES ACHMEA BANK 2007

(€ MILLION)

	2007	2006
Net Interest Margin	103	94
Net Commission Income	-8	-8
Number of FTEs	325	399

Achmea Bank has three main operating entities: Achmea Hypotheekbank (mortgage specialist), Achmea Retail Bank and Achmea Beleggingsfondsen Beheer (fund manager).

Achmea Hypotheekbank offers mortgage loans to individuals through the Centraal Beheer Achmea, FBTO, Avéro Achmea brands via Direct and Broker distribution. The mortgage market is under considerable pricing pressure, resulting in reduced profit margins. In addition, demand for simple, low-budget mortgages has increased. In response, Achmea Hypotheekbank has introduced a low-budget mortgage product and has concluded a volume contract with a commercial chain. The Bank's primary focus is profitable growth driven by operational excellence.

Achmea Retail Bank provides individuals with loans through the Centraal Beheer Achmea, Avéro Achmea and FBTO brands. It also offers savings products to individuals and through company plans as well as so-called Life Cycle ('levensloop') products. Competition in this market is growing. However, considerable success has been achieved with the Life Cycle Plan distributed through Centraal Beheer Achmea's employee-employer channel.

Innovations

Our mortgage specialist worked closely with the Dutch Association of Home Owners to create a modular mortgage for FBTO, enabling home buyers to tailor the product to their own specific needs and circumstances. Our retail bankers introduced a new form of consumer credit with risk-based pricing, a move that has been welcomed by professional credit brokers. Two new unit-linked funds were developed as an additional offering to pension customers. Achmea Hypotheekbank launched a covered bond programme in 2007 as only the second financial institution in the Netherlands to adopt this instrument.

STAALBANKIERS



KEY FIGURES STAALBANKIERS 2007

(€ MILLION)

	2007	2006
Net Interest Margin	33	28
Net Commission Income	19	18
Number of FTEs	250	224

This is Eureko's specialist private bank offering a broad range of tailored financial services to high-net worth individuals and small to medium-sized institutions.

Staalbankier's primary focus is nurturing its close client relationships. The (small) size of the bank, its dedicated employees and its exclusive focus on private banking, distinguish the bank from its competition.

Leveraging the strength of those relationships, Staalbankiers works to further increase the network of leads and prospects, in order to gain a greater market share.

Innovations

More and more customers are looking at (second) homes in France, attracted by the climate, space and way of life. Staalbankiers has responded by developing a mortgage product especially for that (second) home. This is just one of the structured products available to clients.

REACHING OUR CUSTOMER

DIRECT DISTRIBUTION

KEY FIGURES DIRECT DISTRIBUTION 2007

(€ MILLION)

	2007	2006
Gross Written Premiums Life	374	330
Gross Written Premiums Non-Life	903	867
Gross Written Premiums Health	260	219
Total Gross Written Premiums	1,537	1,416
Fee and Commission Income	8	8
Number of FTEs	1,971	1,662



The primary goal for this division is to set the trend for the next generation of direct writing products and services. In all segments, margins are under pressure, and competition is increasing, so growth must be generated through efficiency, operational excellence and innovation to meet changing customer needs. This translates into offering customers products that are high in quality, competitively priced and, specifically, easy to understand and use.

Centraal Beheer Achmea is often top-of-mind as brand of choice for both business-to-consumer and business-to-business. Currently, Centraal Beheer Achmea is especially strong in the employee benefit segment, which offers discounts and additional services to customer company employees. This continues to be a growth segment in the Netherlands. Centraal Beheer Achmea's pension and occupational health business is also channelled through direct distribution.

FBTO, one of the primary direct distribution brands, is perfectly positioned to make the move to full internet-based insurer. Customers are already able to put together their own insurance package from a module-based selection that further includes investment products. This is a clear response to growing consumer demand for simplicity, control and choice.

In 2008, the challenge will be to further position both brands as preferred providers for specific target groups. The aim is to clearly distinguish the two brands' offerings in the market. FBTO will increasingly target private individuals while Centraal Beheer Achmea grows its SME business, improving the way customers are serviced. This will be achieved by combining products and new services, facilitating easier purchase. There is a recognition at direct distribution that internet-based service is only as good as the help desks that support it. Continual training to further

improve competences and customer support is a key part of the division's strategy. Direct distribution currently has Achmea's highest customer satisfaction rating.

Innovations

In 2007, we introduced an innovative product that is both cost efficient for motor vehicle customers and environmentally friendly. If a vehicle part is damaged, then customers can choose for guaranteed 'recycled' parts rather than new ones. This reduces the customer's premium as the cost savings on using recycled parts can be passed on.

With € 183 million in new contracts, FBTO's new modular mortgage, sold through the Dutch Association of Home Owners (Vereniging Eigen Huis) was a major success.

REACHING OUR CUSTOMER

BANK DISTRIBUTION

KEY FIGURES BANK DISTRIBUTION 2007

(€ MILLION)

	2007	2006
Gross Written Premiums Life	1,803	1,936
Gross Written Premiums Non-Life	1,195	1,157
Gross Written Premiums Health	84	76
Total Gross Written Premiums	3,082	3,169
Number of FTEs	1,707	2,213



The merger with Interpolis gave Achmea an immediate and strong position in the bank distribution segment. Through this channel, Interpolis offers a full range of insurances, from life and non-life through income protection, health and group pensions. The cooperative Rabobank is one of the Netherlands' top three banks; its client base is estimated at half the total Dutch population. One in four Rabobank retail clients already has at least one of our insurance products; at one in three, the number is higher for business clients, including SMEs and large companies. The division's aim is to grow both numbers. Rabobank is increasingly positioning as the leading bancassurance provider. The bank distribution division's role is to ensure a constant source of innovative products geared to customer requirements, both individual and group. We work closely with Rabobank at central level to develop integrated financial services concepts with insurance products as part of the package. In developing these concepts, we are working for the ultimate client and the local Rabobank advisors who sell the product.

Our bank distribution brand, Interpolis, has huge name recognition in the market. It rates highly on all marketing and customer satisfaction scores. The 'Glashelder' (literally: crystal clear) marketing campaigns rank top in all advertising name recognition surveys. More importantly, it has the same rating on problem-solving for customers. Interpolis' brand promise is that whatever the problem, there will be an expert available 24 hours, seven days a week to help the customer within two hours of making the claim. Repairing any damage rapidly is an increasingly attractive option for customers rather than a cash settlement. In addition, Interpolis offers a comprehensive legal-aid insurance package for both individual and corporate clients.

While Interpolis' image and valuable name recognition have been fully retained, the merger has generated real economies of scale. This was one of the main drivers for joining forces with Achmea. By combining knowhow, merging back-office and administrative processes, crucial (cost) efficiencies are increasingly generated in the saturated and hugely competitive Dutch insurance market.

Innovations

In 2007, we launched the Partner & Child policy. This is a simple product that, as the name suggests, ensures care for both following a death. The 'Outside the home' product enables customers to insure the valuables covered by home insurance if it is taken outside the home. Both are clear propositions, easy to understand for customers and proving very popular.

REACHING OUR CUSTOMER

BROKER DISTRIBUTION

KEY FIGURES BROKER DISTRIBUTION 2007

(€ MILLION)

	2007	2006
Gross Written Premiums Life	382	390
Gross Written Premiums Non-Life	318	314
Gross Written Premiums Health	977	858
Total Gross Written Premiums	1,677	1,562
Fee and Commission Income	3	8
Number of FTEs	830	800



There are millions of customers who prefer the reliability of a knowledgeable broker above a 'do-it-yourself' approach. It has value for them and business customers especially are willing to pay a premium to hand over the complexities of ever-changing rules and regulations.

The market position of the broker division has improved considerably over the past two years. A programme of market segmentation, intensified cooperation with the key brokers and new product development has resulted in a fast growing customer base.

The three broker segments are:

- Professional (international) brokers:
Organisations with considerable scale focusing primarily on the business-to-business market. They offer high-level risk management consultancy mainly in the areas of pension, non-life and health.
- Mortgage brokers:
These are specialised organisations focusing on mortgages and life. A special segment is the so-called 'deal-makers', where large volumes and swift services are the key differentiators.
- General brokers:
Mainly the smaller brokers focusing on non-life, life and health.

We focus on the specific needs of the three segments to increase the share of wallet and the profitability of the portfolio. New 'business support programmes, internet solutions and new products and services' are developed to further strengthen our position within the broker segments.

A new version of Avéro Achmea Online, the broker division's extranet, has been introduced.

Within our broker division we are realigning our organisation so that we can provide greater service to our partners in distribution, the brokers. By focusing our activities on sales and marketing, we aim to position as the linking-pin between the broker and the full range of Achmea products and services, and as channel for relevant knowledge transfer. This refocus will require an internal realignment. The merging of back offices with relevant product divisions, such as healthcare, will be accelerated. This will enable us to concentrate fully on the needs of the fast changing brokers market.

Innovations

The broker division introduced a new product 'Machinery Service Package', a combination of an insurance and security by using an electronic track & trace device. The product has produced spectacular results; 80% of the stolen objects are recovered within 24 hours, the remaining 20% is recovered within the next 14 days. This reduces the loss ratio dramatically and the customer has no discontinuity in their processes.

NEW IN THE EUREKO GROUP

AGIS HEALTH

KEY FIGURES AGIS HEALTH 2007*

(€ MILLION)

	2007	2006
Gross Written Premiums Health	2,779	2,686
Profit before tax	23	17
Number of FTEs	1,448	1,517



* Pro forma, based on Agis figures

Agis joins Achmea

In June 2007, Eureko announced a merger between Achmea and Agis, one of the Netherlands' leading health insurers. Agis will remain an autonomous brand, retain its name and become the eighth Achmea division. The merger creates the largest health insurance group in the country and will give a combined Achmea/Agis even greater leverage in healthcare procurement. Agis is strong in the Amsterdam, Utrecht, Amersfoort and Apeldoorn regions. It is recognized as the leader in measuring quality; Agis pioneered 'league tables' on the quality of hospital care.

Like Achmea, Agis has a cooperative background. In terms of philosophy and culture, this is a sound match. It is known for its ability to create tailored products and services for specific groups. Its product offering for the Turkish and Moroccan communities in the Netherlands, has led to an international presence in both countries. Many Turkish and Moroccan people vacation in their original home country. They want high quality health care and the trusted Agis brand offers it to them as the insurer established service centres and offers health insurance in both countries, including elective care. Turkey is a highly popular holiday destination for the Dutch. They too take advantage of Agis' presence.

Innovations

A recognized innovator, in 2007 focus at Agis has been on preventative services. Agis offers the Alan Carr 'easy way to stop smoking' method to its customers. In addition, and in cooperation with the Netherlands' largest supermarket chain, it is behind the 'four-leaf clover' packaging campaign to indicate healthy food.

OTHER ACTIVITIES

EUREKO RE

KEY FIGURES EUREKO RE 2007

(€ MILLION)

	2007	2006
Re-insurance Premiums	611	471
Number of FTEs	52	50

This is the dedicated operating company for re-insurance that acts as a competence centre for the entire Eureko Group and offering support as policy-maker, advisor, risk carrier, re-insurance buyer and entrepreneur.

As policy-maker Eureko Re addresses such matters as protection against catastrophe risks, Eureko's retrocession policy, Group programme structures, and how to make use of diversification advantages.

Eureko Re advises the Achmea divisions and the operating companies on their re-insurance needs, based on analyses of the underlying insurance portfolio. For the operating companies, it acts as sounding board and provides programme reviews and second opinions.

Eureko as a whole can carry more risk than the individual units within the Group. For this reason, the Achmea divisions and some operating companies transfer their re-insurance risks to Eureko Re N.V. in the Netherlands. Eureko Re combines these risks into a Group programme and retrocedes 100%, or less, to its own re-insurance subsidiaries in Ireland and Luxembourg and/or to the re-insurance market. Applying this business model means that re-insurance risks are funnelled, diversification advantages are identified, purchasing power is bundled and the third-party risk for reinsurers rests with Eureko Re.

The competence of re-insurance buyer is of major importance to the Group because the major part of Eureko Re's inward re-insurance programme is retroceded to the re-insurance market. Quality and continuity are important points of departure in the relationship with reinsurers.

In order to safeguard the expertise of Eureko Re, it acts on a modest scale as an entrepreneur in the external market. The solutions offered include risk analyses, captive management services and structured life re-insurance.

Innovations

In 2007 Eureko Re put together a conceptual framework for the Eureko Group programme. With this framework in mind the Interpolis re-insurance programme was integrated into the existing Group programme, while at the same time the premium calculation method was changed. As entrepreneur, Eureko Re welcomed two new captive management clients. They are the first Dutch clients to make use of Eureko Re's insurance subsidiary in Ireland.

EUREKO IN EUROPE

Eureko is looking to international expansion to help achieve strategic growth ambitions and to secure stable growth into the future. Our goal is to develop our international operations from a strong position in a selected number of countries. Initially, we are focused on Central and Eastern European growth markets, where we already have a presence. These markets are moving into the privatisation cycle and we see real potential for both organic growth and accelerated growth through selected acquisitions. In 2007, we made a significant acquisition in Turkey (see page 88).

However rapid current growth and future opportunities, it is clear that most markets in Central and Eastern Europe will remain relatively small. Poland forms an exception. If issues (see page 89) are resolved, PZU, and our presence in Turkey, will change the composition of Eureko's bottom line completely. However, we will also continue to focus on more mature markets in Western Europe. Through our Group business development unit, we are continually seeking opportunities, including international partnership options.

As part of our strategic international drive, in 2006, we strengthened our European organisation by grouping operating companies into division Europe. By developing coherent strategies for each business supported by sharing knowledge and best practices, performance has improved across the board.

Our approach is through the implementation of so-called 'Flying Squad' projects. This concept enables us to utilise expertise from the whole Eureko Group to achieve strategic goals in individual operating companies. At present, there are 12 ongoing strategic projects involving personnel from many operating companies and the holding.

Our operating companies

The Group currently has a selected presence outside the Netherlands, with operations in 11 countries (Belgium, Bulgaria, Cyprus, France, Greece, Ireland, Luxembourg, Poland, Romania, Slovakia and Turkey).

Representing 13% of total contributions, our European operating companies generate the following shares:

EUREKO IN THE EUROPEAN MARKET

(13% OF TOTAL CONTRIBUTIONS)

(%)

(€ MILLION)

	(%)	(€ MILLION)
Avéro Belgium	6	121
Eureko Sigorta* Turkey	6	115
First Friends Ireland	47	947
Império France	6	113
Interamerican Bulgaria	0	7
Interamerican Greece	23	452
Interamerican Romania	1	19
Interlife Cyprus	1	28
Union Slovakia	10	190
	100%	1,992

* Half-year basis

EUREKO IN EUROPE

BELGIUM



KEY FIGURES AVÉRO BELGIUM 2007

(€ MILLION)

	2007	2006
Gross Written Premiums Non-Life	121	114
Number of FTEs	161	160

Avéro Belgium is a successful niche player, providing a range of non-life products for both individual (property, accident, motor) and corporate (property, casualty, engineering) customers. Avéro Belgium has a significant reputation in the marine (cargo, hull, CMR, trucks) and special risk business. It aims to achieve profitable growth organically and through small-scale acquisitions.

Innovations

Crash & Go, the name of this new service says it all. Motorists insured by Avéro Belgium can now stay mobile following damage to their vehicle. Not only do they receive a replacement car, a local garage will pick up their vehicle, repair it and bring it back again. Repairs are carried out by certified Crash & Go garages so that our customers can be sure they get top service.

BULGARIA



KEY FIGURES INTERAMERICAN BULGARIA 2007

(€ MILLION)

	2007	2006
Gross Written Premiums Non-Life	7	4
Number of FTEs	98	42

This brand-new European Union member is very much an emerging insurance market where Eureko sees significant potential. Accession to the European Union brings new legal requirements for the insurance infrastructure, offering significant opportunities for insurers with extensive know-how in regulatory requirements. Currently, Interamerican Bulgaria is a small player with approximately 1% market share. But it is also an ambitious player. From January 2008, Interamerican Assistance will be a part of Euro-Cross International, the worldwide organisation for (medical) assistance.

Interamerican Bulgaria uses all main distribution channels, with a recent focus on agents and brokers; cooperation with international and local brokers has been strengthened and 48 brokers are now under contract. The agents' network is expanding fast and, in 2007, eight new agencies were established. Currently, Interamerican Bulgaria has a presence in 41 locations throughout the country.

Brand awareness surveys in 2007 show that name recognition has more than doubled following a targeted advertising campaign. This campaign is preparing the ground for the launch of a life company to complement the existing business.

Innovations

Interamerican Bulgaria was awarded the national Golden Effie for 'Corporate reputation, image and identity' following its innovative advertising campaign.

EUREKO IN EUROPE

CYPRUS



KEY FIGURES INTERLIFE CYPRUS 2007

(€ MILLION)

	2007	2006
Gross Written Premiums Life	20	18
Gross Written Premiums Non-Life	8	7
Total Gross Written Premiums	28	25
Number of FTEs	64	60

Interlife offers the full range of insurance products - life, non-life and health. It already ranks number five in the life business. Building on its ongoing success in the Cypriot market, Interlife is working to achieve essential increases in scale.

Innovations

Interlife's new unit-linked product is unique in the Cypriot market. A combination life policy and insurance against critical illness, the whole family is covered under one policy.

FRANCE



KEY FIGURES IMPÉRIO FRANCE 2007

(€ MILLION)

	2007	2006
Gross Written Premiums Life	98	76
Contribution Investment Contracts	15	16
Number of FTEs	56	57

Serving the Portuguese community in France, Império is very much a niche player. Its focus is providing life products to the close to one million Portuguese nationals living and working primarily in the Paris region. Distribution is through two channels – a tied agent network and banks. The biggest challenge in 2007 has been to take advantage of the so-called Fourgous Amendment. This amendment enables insurance policyholders to shift their life-insurance contract from a guaranteed savings product to a unit-linked product without losing their fiscal advantages. In 2007, the most popular unit-linked products sold were new generation fixed and variable-yield funds, distributed in partnership with Exane, part of BNP Paribas Group. In 2007, 1,541 contracts valued at € 32.5 million were transferred under the Fourgous Amendment. Strategic priorities into the future are the addition of new distribution channels to further improve customer service.

Innovations

One of Império's strategic priorities is to expand its risk business and to capture the target youth market. These youngsters are second or third generation Portuguese living in France. In the past three years, Império has launched a new product annually. In 2007, it developed 'Educalia', which finances children's education in the event of the policyholder's accidental death. Children receive a monthly annuity until their 25th birthday. Ahead of the launch in early 2008, a savings component is being added which will enable customers to make deposits free of bank charges.

EUREKO IN EUROPE

IRELAND



KEY FIGURES FRIENDS FIRST IRELAND 2007 (€ MILLION)

	2007	2006
Gross Written Premiums Life	258	246
Contribution Investment Contracts	689	555
Fee and Commission Income	7	25
Number of FTEs	541	511

One of Ireland's most dynamic and successful financial services groups, its strategy is based on delivering high-value growth. Friends First distinguishes itself in the market through superior customer service – a positioning that meshes firmly with the Eureka Group approach. This strategy received strong external endorsement when the group won the 2007 Overall National Quality and Excellence Award.

Friends First is a leading player in both the life and pensions businesses, with a particularly strong market position in investment products. Currently working primarily through independent brokers and major retail financial institutions, including a growing relationship with ACC, Rabobank's subsidiary in Ireland, the focus into the future is to broaden both direct and indirect distribution to fully leverage its customer service offering.

The group further operates a successful Asset Finance and Loans business under the Friends First Finance label. Focusing primarily on asset-backed hire purchase, leasing, and personal and business loan products, Friends First Finance is offering innovative finance solutions to the high-net worth sector and now also offers commercial mortgages. A new distribution agreement with Rabobank's ACC will support growth in this business.

With a total of 250,000 customers, Friends First has a top six position in the total life market, with a >6% share.

Innovations

Friends First's private investment division has brought innovative packaged solutions to the high-net worth customer. A further new offering is the Magnet range of funds to meet growing demand from distributors for packaged solutions. In the autumn of 2007, Friends First piloted a new e-tool for brokers, attracting more than 10,000 visits in the third quarter alone. Since the launch, around 60% of new business has been completed on line. This is the first step towards further improving its already well-recognized top customer service.

EUREKO IN EUROPE

GREECE



KEY FIGURES INTERAMERICAN GREECE 2007

(€ MILLION)

	2007	2006
Gross Written Premiums Life	129	189
Gross Written Premiums Non-Life	162	138
Gross Written Premiums Health	108	38
Total Gross Written Premiums	399	365
Contribution Investment Contracts	53	52
Fee and Commission Income	109	100
Number of FTEs	2,026	1,963

Ranking among the leaders in the Greek life, health and non-life sectors, Interamerican Greece is the only insurer with an extensive emergency assistance infrastructure. Its large client base and strong distribution through a tied agencies network make Interamerican the best-recognized insurance brand in Greece. This recognition is based on its tradition of quality products and services effectively covering all financial and insurance needs.

Increasingly, Interamerican Greece is expanding its distribution to further improve customer access to its products. Direct distribution was launched in 2007 through the introduction of on-line motor insurance early in the year, and most recently home insurance. Currently, it is expanding cooperation with Nova Bank to grow this distribution channel.

Overall, Interamerican Greece is the number two player. It has achieved an increase in market share in almost all segments.

Innovations

Under the sub-brand name 'Anytime', Interamerican Greece launched Anytime Home in September 2007. This is the second product in the range, with Anytime Auto introduced in the first half of 2007. The innovation in the Greek market is that customers can tailor their insurance, choosing from basic and optional cover. If customers opt to pay the premium by credit card at the time they sign up, then they receive a 5% discount; if they already have Anytime Auto, a further 5% reduction is offered. Response has been enthusiastic.

ROMANIA



KEY FIGURES INTERAMERICAN ROMANIA 2007

(€ MILLION)

	2007	2006
Gross Written Premiums Life	8	7
Gross Written Premiums Non-Life	9	7
Gross Written Premiums Health	2	1
Total Gross Written Premiums	19	15
Number of FTEs	374	150

Interamerican is among the few companies to offer a full range of life, non-life and health products and services. This means it is well positioned to take full advantage of new European Union insurance regulations – Romania acceded in 2007. Interamerican Romania aims to build its business step-by-step through innovative product development and quality customer service. In health, it is a recognized pioneer, opening the first private hospital, the Euroclinic, in Bucharest in 2005. Euroclinic is a cornerstone of the Medisystem, the brand name for its health insurance products. Medisystem was the first comprehensive and affordable health insurance package for all customer groups, covering doctors' visits, diagnostic and preventive examinations and hospitalisation. In 2007, it was awarded a pensions license, successfully launching these products in the same year. Interamerican Romania made full use of the opportunity and has gained a significant fourth position in this new segment.

Innovations

A brand-new motor product, 'Casco Light' allows customers to choose an affordable policy to protect their cars against natural disasters, fire and theft. It is the first product of its kind in the Romanian market. Once again, Interamerican's investment funds have won best performing insurance product in Romania, matching 2006 performance.

EUREKO IN EUROPE

SLOVAKIA



KEY FIGURES UNION SLOVAKIA 2007

(€ MILLION)

	2007	2006
Gross Written Premiums Life	11	10
Gross Written Premiums Non-Life	20	19
Gross Written Premiums Health	159	-
Total Gross Written Premiums	190	29
Number of FTEs	558	415

Eureko operates two sister companies in Slovakia which are separate for legal reasons. Union Insurance offers life, non-life and supplementary health insurance to both individual and corporate customers. As a travel insurer, it has grown massively and is now the undisputed market leader. Union Health was launched in 2006 to offer basic health insurance. It builds on the Eureko Group's knowledge and expertise and on the supplementary experience in sister company Union Insurance. Unfortunately, the Slovakian government has rethought its basic health concept. Eureko will take all legal measures to protect its investment.

Both companies take advantage of cross-selling opportunities, not least through a comprehensive distribution structure. Union distributes through direct sales networks (for both individual and corporate customers), broker distribution, call centres and internet.

With an 8% share in the health market, Union is a significant player. Its 50% market share in the travel sector makes it by far the largest insurer whose products are distributed by the biggest travel agencies in the country.

Innovations

In 2007, Union introduced an absolute innovation on the European travel insurance market – an SMS-based travel and mountain rescue insurance that is provided via mobile phones. Union was awarded first place in the prestigious 'Golden Coin' award for this product. Perhaps more gratifying is that this product is also being adopted by Eureko sister companies in the Netherlands. A second innovation came in the form of a new life insurance product, Flexi Life, which is a unit-linked product offering a large range of accident and health riders.

EUREKO SIGORTA



KEY FIGURES EUREKO SIGORTA 2007*

(€ MILLION)

	2007	2006
Gross Written Premiums Non-Life	115	-
Number of FTEs	453	-

* Half-year basis

Introducing Eureko Sigorta

Through a long-term, exclusive insurance partnership with Garanti Bank of Turkey, Eureko has acquired 80% of the Bank's non-life insurance business - Garanti Sigorta A.S., and a 15% stake in Garanti Emeklilik ve Hayat A.S., Garanti's life and pensions business. The transaction also provides Eureko with an option to acquire a further 35% of Garanti Emeklilik. A long-term agency agreement with Garanti Bank, covering both operating companies' current and new business, means bank distribution is assured into the future.

Agreement was reached in March 2007 and the rebranded Eureko Sigorta has already started to work closely with division Europe on knowledge sharing and best practices. Eureko Sigorta's primary aim is to become market leader in the growing Turkish insurance market (penetration rates are still relatively small in all segments). In 2008, the focus will be on growing its motor business and starting an agriculture and health business. Moreover, Eureko Sigorta aims to achieve greater penetration through the important agency and broker channels.

Eureko Sigorta has a 4.5% share in non-life, ranking number nine in the market, with one of the best technical results in the Turkish industry.

Innovations

Eureko Sigorta's young and dynamic team (average age is 29) came up with the idea of innovating through collecting product and service ideas on the company's intranet. The best idea in 2007 was a very new approach to pay-as-you-go motor insurance with monthly renewal option. Customers pay via credit card. Through its clearly innovative mindset, Eureko Sigorta has been selected to lead the drive to initiate and develop new, simple and user-friendly products and services for division Europe.

ASSOCIATED COMPANIES

PZU, POLAND | F&C ASSET MANAGEMENT, UK | MILLENNIUMBBCP, PORTUGAL

PZU, POLAND

PZU is the largest Life and Non-Life insurer in Central Europe, with around 45% market share in Poland. In 1999, Eureko B.V., acted as consortium leader with Bank Millennium, investing 3 billion zlotys (approximately €700 million) to buy 30% of PZU. The acquisition was based on the Polish Government's decision and promise to privatise PZU through an Initial Public Offering (IPO) on the Warsaw Stock Exchange by year-end 2001 at the latest. However, successive Polish governments have refused to execute the privatisation agreement, which eventually led Eureko to seek arbitration under the Dutch-Polish Bilateral Investment Treaty, in 2002, at an International Arbitration Tribunal. Currently, Eureko holds 33% minus 1 share of PZU, with the Polish State retaining majority control of 55%.

Eureko is committed to PZU and Poland. We are not interested in selling our shareholding. We will honour obligations as an investor and buy the additional 21% stake when the company is privatised, as contractually agreed in 2001. As required by Polish regulations, Eureko will finance it by our own means and with unencumbered funds. Eureko expects the Polish State similarly to honour its obligations, as definitively confirmed in arbitration, to protect the rights of bona fide investors. Despite winning all international tribunal arbitrations, Eureko is, as always,

prepared to discuss an amicable solution. In early 2008, we had an initial meeting with representatives from the Polish Ministry of State Treasury at which both sides declared an amicable compromise was the best way forward.

For full details on PZU, please visit www.eureko.net.

F&C ASSET MANAGEMENT, UK

F&C Asset Management is a leading European investment group whose UK holding company, F&C Asset Management plc's shares are listed on the London Stock Exchange. F&C Asset Management has some £100 billion assets under management (as at 31 December 2007).

Until 2004, F&C Asset Management was a wholly-owned Eureko operating company. Eureko retains a 10.4% shareholding in F&C Asset Management, which acts as one of Eureko's principle asset managers, with long-term mandates.

MILLENNIUMBBCP, PORTUGAL

MillenniumBCP is Portugal's leading independent bank. In 2007, Eureko increased its stakeholding to 9.96% through the acquisition of a further 2.72% stake. The two financial players have enjoyed a long association (Banco Comercial Português was one of the early members of the Eureko Alliance), and continue to develop joint business initiatives in complementary European domains.

PARTNERSHIPS

EURAPCO, EUROPEAN ALLIANCE PARTNERS

Eurapco is an alliance of independent European companies operating in the financial services industry. There are seven Partner companies – Eureko, Covéa/MAAF-MMA (France), Friends Provident (UK), Gothaer (Germany), Länsförsäkringar (Sweden) and Swiss Mobiliar (Switzerland) – together operating in 17 countries in Europe. Caser (Spain) joined Eurapco in 2007. Each of the Partners has a strong position in its domestic market. Together, they form one of Europe's leading insurance alliances. The Eurapco Partners aim – through cooperation – to strengthen their ability to compete in their local markets and also wish to benefit from involvement on the international stage. By enhancing the systematic exchange of skills, knowhow and

resources, Eurapco creates value and sustainable commercial benefits for its Partners.

Eurapco has around 60 activities, all partner-driven. Currently, the Partners' Marine Group and International Employee Benefits businesses are highly successful. At Eureko, which sees internationalisation as a strategic means of promoting stakeholder interest, there is a growing requirement to further 'harden' the business done through the Alliance. Increasingly, we are building other partnerships, such as Rabobank and Garanti in Turkey. Our aim is to generate greater added value from our participation in Eurapco by intensifying cooperation with partners with similar international aims.

EUREKO PEOPLE

Eureko's business is a people business. If we are to empathise with our customers, innovate for them and deliver sustainable performance, then our people must subscribe to the Eureko mindset. They must be focused on our customers, but also understand their role in translating that focus into action. So when we say our people are stakeholders, we mean it; this is no lip service.

EUREKO PEOPLE IN THE NETHERLANDS

When Achmea and Interpolis in the Netherlands merged in 2006, we committed to the harmonisation and integration of the two groups into a single motivating environment where our people could use all their skills and talents. Our goal is to create an inspiring and rewarding working environment so that Eureko is considered one of the best employers in the financial services industry. Part of that commitment was to achieve a common Collective Labour Agreement (CLA, or CAO in Dutch) in the Netherlands, with a common employee policy and salary, conditions and benefits structure. Basically, our aim was to offer Eureko people a modern employment package with a lot of choices. In 2007, this goal was achieved when the new CLA was signed in December. At the same time, we integrated two HR back offices and their processes, and implemented successfully a new HR System, SAP HCM. SAP facilitates an efficient HR-operation and represents the next steps towards e-HRM.

The success of the merger of Achmea and Interpolis depends on the success of merging cultures. We launched an intense programme. All 1,600 managers joined this programme on creating the new Achmea by sharing personal and company values. The members of the Executive Board and divisional boards also joined the programme as participants and keynote-speakers.

A second commitment was innovating the way our people can develop their talents. We accelerated the Management Development (MD) programme by reviewing every individual manager and specialist in the top 300 and their successors. This is an ongoing process because we believe

that developing our individual specialists and managers is the most effective way to develop the organisation. The MD department doubled capacity. The MD programme is driven by MD Committees in every division, operating company, at Achmea and Eureko levels and in the functional disciplines.

In the Netherlands we began a major programme on 'life-stage-aware-diversity'. Our aim is to attract and retain employees who not only focus on our customers, but who are also aware of the bigger social picture. In a competitive environment, with an ageing and culturally diverse labour market, we aim to remain a sustainable and attractive employer. By recognising and valuing the diverse qualities of individuals we are convinced that Eureko will become even more customer focused and innovative, creating even more value for our stakeholders. The life-stage-diversity programme is a joint programme involving Achmea, the Universities of Utrecht and Tilburg, trades unions and the works' council.

To attract the best employees in a competitive labour market we launched a new employer branding campaign (print, internet, social networks). The campaign links social issues, business issues and the role of our (new) employees.

Innovative working concept

We are in the process of developing what we call the Achmea Work Concept. The concept, based on the Interpolis' flexible work concept, is concerned with how we work in the broadest sense of the word – it explores the physical, mental and virtual environment our people inhabit during their working day. We are looking at

EUREKO PEOPLE

HUMAN RESOURCES

innovations in the way we organise our work station and how IT contributes to facilitating the job. Diversity in solutions is a primary goal – the range of solutions will be diverse because we are a diverse group of people. A blueprint for our diverse working concept will be finalized mid-2008. However, as part of the new CLA, we have already introduced a special ‘diversity day’ additional holiday.

Commitment and satisfaction

Our working concept is still very much a work in progress. While communication is focused on keeping them abreast of developments, we cannot be complacent. For this reason, we carry out extensive employee commitment and satisfaction surveys.

EMPLOYEE COMMITMENT SURVEY (ECS)

	IN-/DECREASE ECS 2007 AGAINST 2006	
Response	70%	+ 9%
Commitment	57%	+ 1%
Satisfaction	73%	+ 4%
Motivation	79%	+ 1%

Achmea in transition

Following the Achmea/Interpolis merger, the Achmea Transfer Centre (ATC) was set up to manage overlap in FTEs. The Centre’s task is to help people either find a new challenge within Achmea, or support them in finding a job elsewhere. In 2007, a total of 780 candidates sought support from the ATC of whom 87% were successfully (out-)placed.

EUREKO PEOPLE IN EUROPE

Eureko’s growing international presence and activities opens up new challenges for our people and their development. There are increasing opportunities through traineeships, international leadership programmes and international management development. Division Europe is continually looking for ways to achieve its international strategic projects using the Flying Squad concept. Flying Squad objectives include:

- Connecting people to people;
- Connecting people to knowledge and expertise;
- Carrying out projects at the request of operating companies.

Flying Squad members have a challenging additional role alongside their regular jobs.

Eureko remuneration

We reviewed and benchmarked Eureko’s top executive remuneration and best practices in most European countries. The aim was to define a coherent European remuneration strategy for senior management throughout Eureko.

Working internationally

We aim to employ a significant number of expatriates on long-term assignments (two to three years) and Flying Squad members on short-term assignments (six weeks to six months). These employees will work abroad for two main reasons:

- To fill strategic management or key specialist positions;
- To broaden and grow their competencies.

EUREKO PEOPLE

HUMAN RESOURCES

EDUCATION AND TRAINING

Our people have to be assured of our commitment to and investment in growing their skills. Eureko offers a wide range of education and training programmes. This includes a Management Development programme for middle and senior management to facilitate individual development. Succession planning for key positions within the Group is also a major focus.

Ensuring the right people are in the right place and equipped with the most appropriate skills is an ongoing challenge. So coaching, action-learning and on-the-job learning are important for personal and professional development.

Our strategic programmes include:

The Eureko Academy

The Eureko Academy focuses on stimulating the exchange of knowledge and expertise within the Group. In addition to the Eureko Group, it also works with Eurapco partners, arranging workshops, meetings and seminars. All programmes, designed in cooperation with academic partners from around the world, are tailored to meet organisational business objectives.

Ashridge Executive Education Programme

Developed in partnership with the Ashridge Business School, this programme directly addresses how senior managers can influence a future that supports company objectives.

The Eureka Management Development Programme

This is an accelerated learning programme, designed for fast-track managers, who are at a relatively early stage of their career. It is a combination of action learning and essential business theory.

The Challenge Leadership programme

The annual Eureko Leadership programme, 'the Challenge', brings together our commitment to corporate social responsibility and the development of our (future) leaders. 'The Challenge 2007' launched in collaboration with the 'Dutch Diabetes Fund' is a plan to fight the growing obesity problem in the Netherlands.

Traineeships

Eureko's International Management Traineeship is an award-winning traineeship, with international opportunities throughout the Group for ambitious starters with a background in general or financial management. The growth in international opportunities for employees and Eureko's increasing internationalisation go hand-in-hand. The advantages are clear: we are able to attract more people with international ambitions; more of our people gain international experience; the employer of choice strategy in mature job markets is reinforced; and international solutions for local labour markets become feasible.

CORPORATE SOCIAL RESPONSIBILITY

With its cooperative tradition, stakeholder focus, and empathy as one of its core values, unsurprisingly Eureko has a clear commitment to achieving its business objectives in a socially responsible way. Many of our activities are concentrated on socially-relevant products and services, such as health care and income protection, both during our customers' working lives and on retirement. A logical extension of the way we work for our customers is to ensure that a responsible approach to impact on society and the environment is embedded in our operations.

Through our close involvement in social issues, our responsibility takes a variety of forms:

- by developing new value propositions based on an open dialogue with relevant stakeholders in the community, we aim to contribute to solving major social issues;
- in-company investment in even deeper integration of corporate social responsibility into core business thinking and processes;
- community investment, also by stimulating our people to volunteer for socially-relevant activities, and support for the underprivileged. Colleagues can take a maximum of four free days a year for volunteer work.

Major social issues

This is a very ambitious goal. Social issues, such as solidarity, greying populations, insurability, multiculturalism and integration, and climate change are challenges in all our markets. As insurers in dialogue with social partners, we can exert some influence on a number of these issues, specifically solidarity and insurability. Through our business, we can play a considerable role in innovating to tackle others, such as greying populations. This issue was the topic of a newly introduced series of debates. Participants were more than 20 talented personnel from the whole organisation but without specific expertise in this field. The aim was to see the issue from a different perspective. Two innovative ideas – we cannot say more for competitive reasons – emerged from these debates which are now being developed.

In-company investment

We are increasingly integrating corporate social respons-

ibility thinking into our business planning and processes.

This is a step-by-step approach to identifying socially-responsible concepts already present in our culture and mindset and embedding them into the mainstream. Top of mind here is continually testing our business practices against questions such as: do we really put our customers' interest at the heart of all our products and services? What are our criteria for doing business with counterparties and third-party suppliers? How do we manage the funds that our customers have entrusted to us? How transparent are we in our communication to our stakeholders on these matters? And what are we really doing to embed sustainability into our business environment – how are we using water, paper, transport?

Community investment

Community investment is another area of particular concern for Eureko. This is investment and activities in the community that are outside specific business activities and which are undertaken because of a commitment to social involvement. This usually takes the form of sponsoring and facilitating voluntary work by employees. In 2007, we also made available 25 internships to young people from disadvantaged groups in order to stimulate participation in the labour market. These internships are offered to young immigrants and the chronically ill. We will expand this programme by offering 15 refugees positions within Achmea. We also undertake business-related initiatives, such as the organisation of events aimed at reducing obesity in young people. The objective is always to create benefits for both the community *and* the company.

CORPORATE SOCIAL RESPONSIBILITY

PART OF THE COMMUNITY

One specific example of programmes is:

- Micro Insurance offers the very poorest people in emerging markets the opportunity to insure against risk. Insurance increases their economic opportunities and reduces vulnerability. As a cooperative insurer, Eureko aims to contribute actively in developing micro-insurance in the developing world. We are long-standing, active partners in MIAN (Micro Insurance Association Netherlands). Our people offer their knowhow and expertise on a voluntary basis to help set up micro-insurance cooperatives. Eureko Re acts as the re-insurer.

Sustainable investment is incorporated into Achmea's investment philosophy. It has been implemented through an overlay by F&C and Robeco on the worldwide equity portfolio. This approach involves starting a dialogue with companies to try to change the behaviour of management in areas like environment, ethics, community and work situation. This so-called engagement process can result in the exclusion of a company from the portfolio:

- if it is the end-producer of controversial products and is not inclined to stop production;
- if the engagement with the company does not reach pre-defined goals over a three-year period. In this way an institutional investor can find a responsible balance between its social responsibility and its financial responsibility to stakeholders;
- At local level, most of our operating companies have specific programmes.

Eureko Achmea Foundation

The Foundation is funded through the allocation of 0.5% of the Group's net profits. It is administered by an independent body which evaluates applications for funding, and approves payments accordingly. At year-end 2007, € 5.5 million had been disbursed to projects proposed by all operating companies. There are two primary destinations – projects in countries where we work and emerging markets. In the wake of the forest fire disaster in Greece in 2007, Interamerican Greece and the Eureko Achmea

Foundation arranged € 250,000 in aid. The donation was received within 24 hours. In Nigeria and other African countries, a six-year project is underway to create affordable health insurance.

Achmea publishes a corporate social responsibility report every year. It is available digitally and can be reviewed on or downloaded from www.achmea.nl. In 2007, the Ministry of Economic Affairs' transparency benchmark for social reporting ranked the 2006 report in the top 10; around 170 reports were evaluated.

Innovations

Eureko established an internal ethics committee in 2007 that is chaired by CEO Maarten Dijkshoorn. In addition, as we further embed social responsibility into the mainstream of our business processes and planning, a network of CSR-ambassadors recruited from our personnel was set up to increase awareness internally.

In 2007, our Interamerican Greece operating company became a co-signatory to the United Nations Environment Programme (UNEP) Finance Initiative, a global partnership between UNEP and the financial sector. Over 160 institutions, including banks, insurers and fund managers, work with UNEP to understand and reduce the impacts of their business on society and the environment. Achmea was among the founding financial institutions in the late 1990s. Both Achmea and Interamerican Greece worked on the pioneering UNEP FI publication: 'Insuring for Sustainability: Why and how the leaders are doing it'.

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