

# Eureko Group Presentation

*“Well-positioned and focused Dutch insurer with growth potential in Central and Eastern Europe”*

**Gerard van Olphen**

**Chief Financial Officer**

October 2006



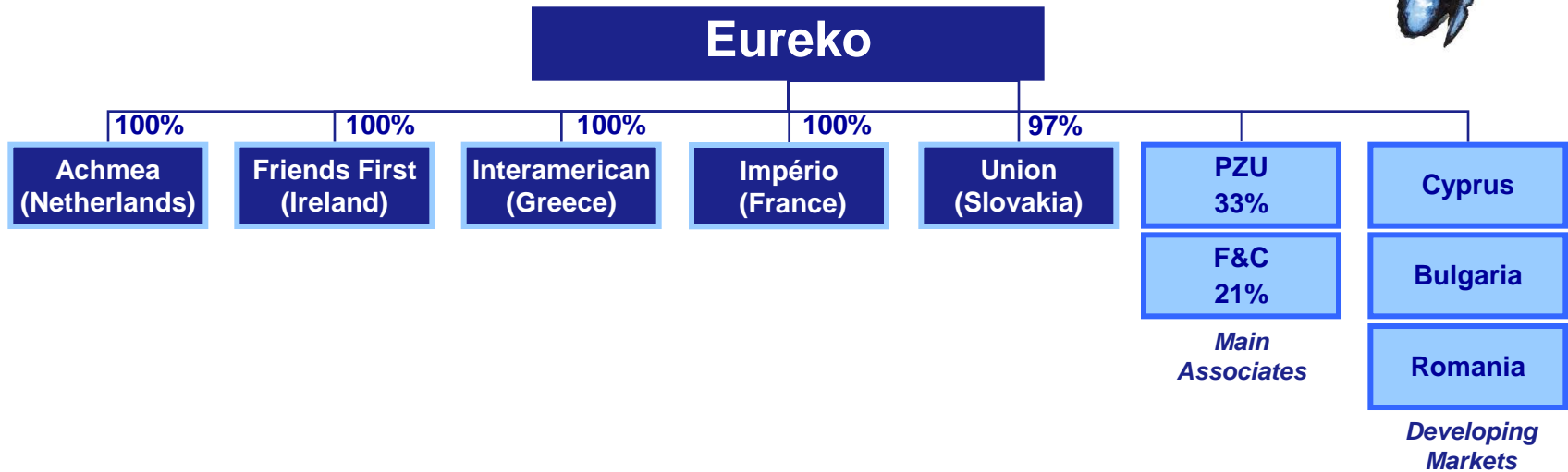
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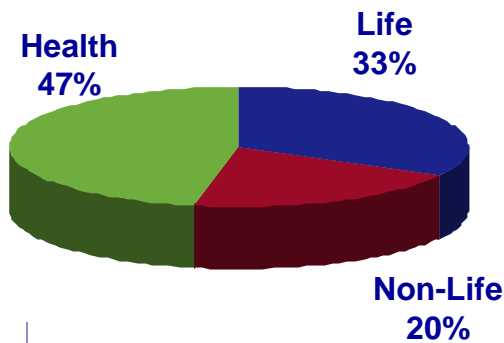


- 1. Eureko Group**
- 2. Strategy**
- 3. Financial review**
- 4. Investment highlights, transaction rational and overview**

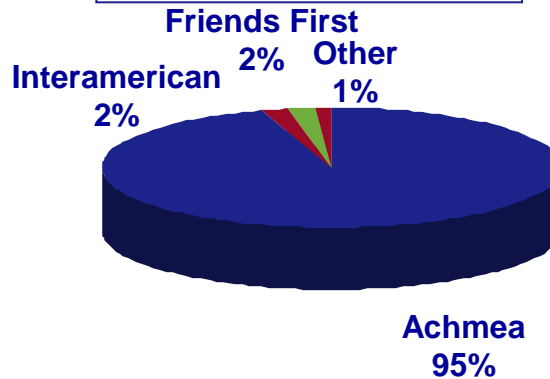


## Balanced portfolio with geographical emphasis on the Dutch market

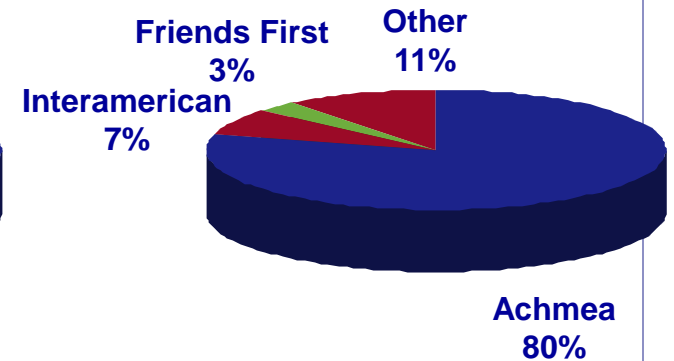
GWP June 2006 per Business Line  
(€ 7.9 billion)



GWP June 2006 per Company  
(€ 7.9 billion)



Net profit June 2006 per Company  
(€ 669 million)



• Total assets: € 84,662 million; Total equity: € 8,518 million; Number of employees: 21,913



Ireland	
Life	#5



Poland (33% stake)	
Non-life	#1
Life	#1



Netherlands	
Overall	#1
Non-life	#1
Life	#2
Health	#3



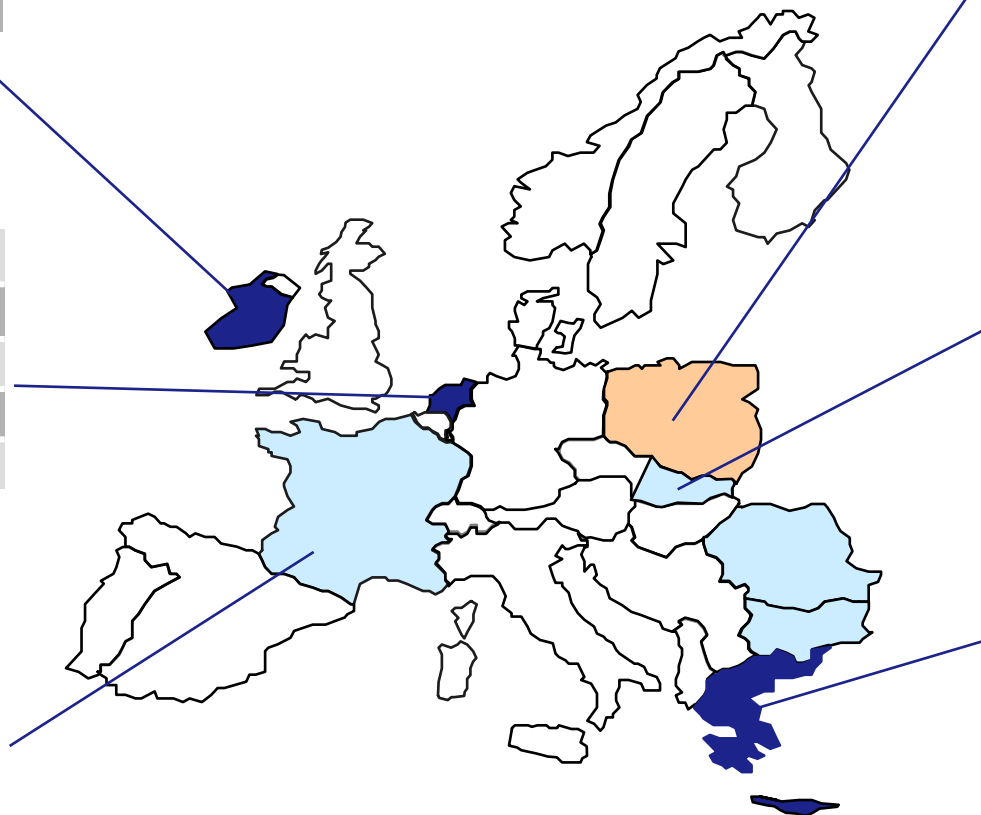
Slovakia	
Life	#12
Non Life	#12



France	
Niche player	NA



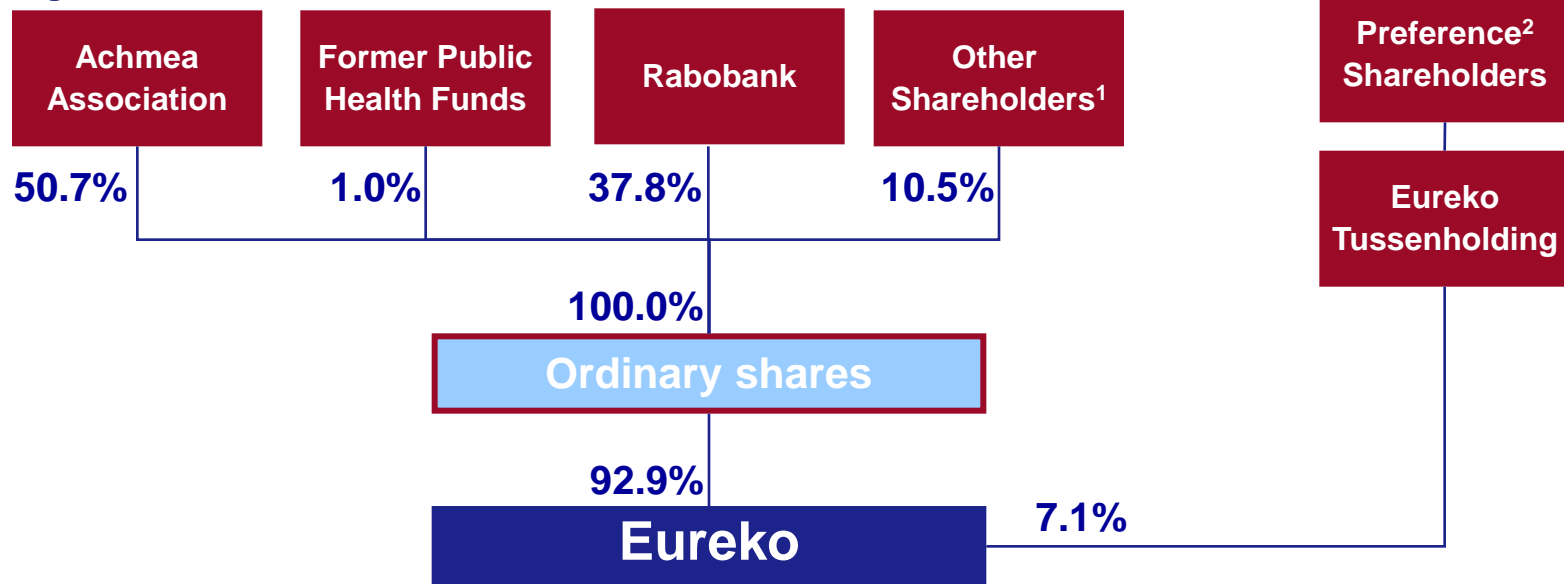
Greece	
Non-life	#3
Life & health	#3



- = Core Entities
- = Insurance Associate
- = Niche / Developing Markets



Per 1 August 2006



- Strong (proven) support from major existing shareholders
- Rabobank increased its stake to 37% following merger of Interpolis and Achmea (currently 37.8%)
- Possibility of an IPO exists. Achmea Association and Rabobank will together remain majority shareholders
- Time and outcome of any discussion on further cooperation between Achmea Association and Rabobank are uncertain

1. BCP (2.9%), Friends Provident (2.1%), MAAF (2.1%), Gothaer (1.3%), LF Group (1.1%) and Swiss Mobiliar (0.9%)

2. No voting rights



## Eureko is, via Achmea, the largest insurer in The Netherlands

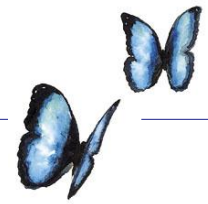


(measured in GWP)	Market position
Overall	<b>1</b>
Life	<b>2</b>
Non-Life	<b>1</b>
Health <sup>1</sup>	<b>3</b>

(measured in GWP)	Distribution channel
Direct	<b>1</b>
Bancassurance	<b>1</b>
Intermediary	<b>3</b>

- Achmea is the largest car insurer with 1.5 million cars insured (market share of 21%)
- Achmea has 3.5 million insured in Health insurance (market share of 22%)
- Achmea Occupational Health services is the second player in the market
- Achmea is the largest in Pension administration
- Achmea Bank has a high quality mortgage portfolio (carrier for insurance products)

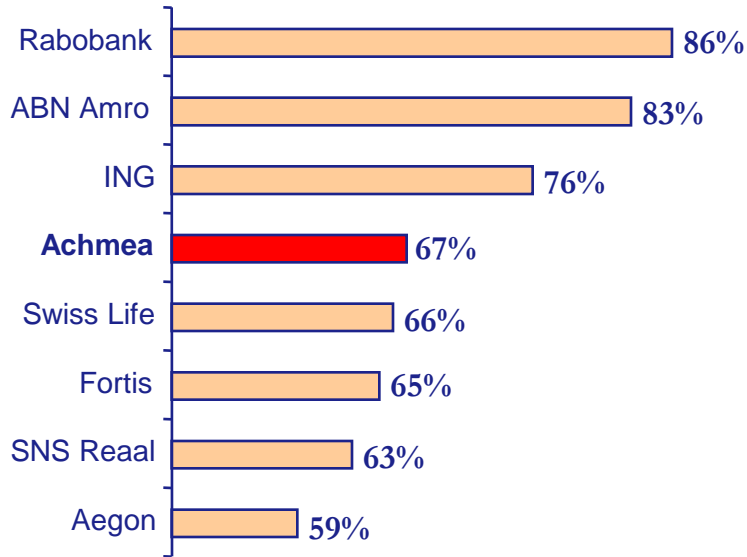
1. Measured in number of insured



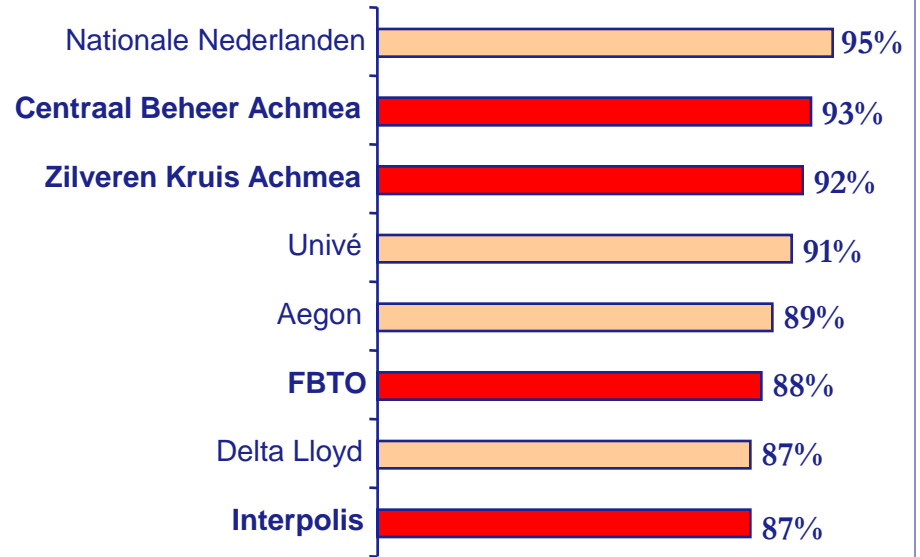
*Achmea and its major brands are amongst the strongest in the market*



Corporate brand 'Achmea': # 4 financial services groups



4 Achmea brands in Top 8 Dutch insurers

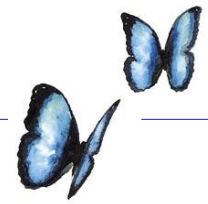


Source: Brand recognition by TNS NIPO consumer tracking, July/August 2006





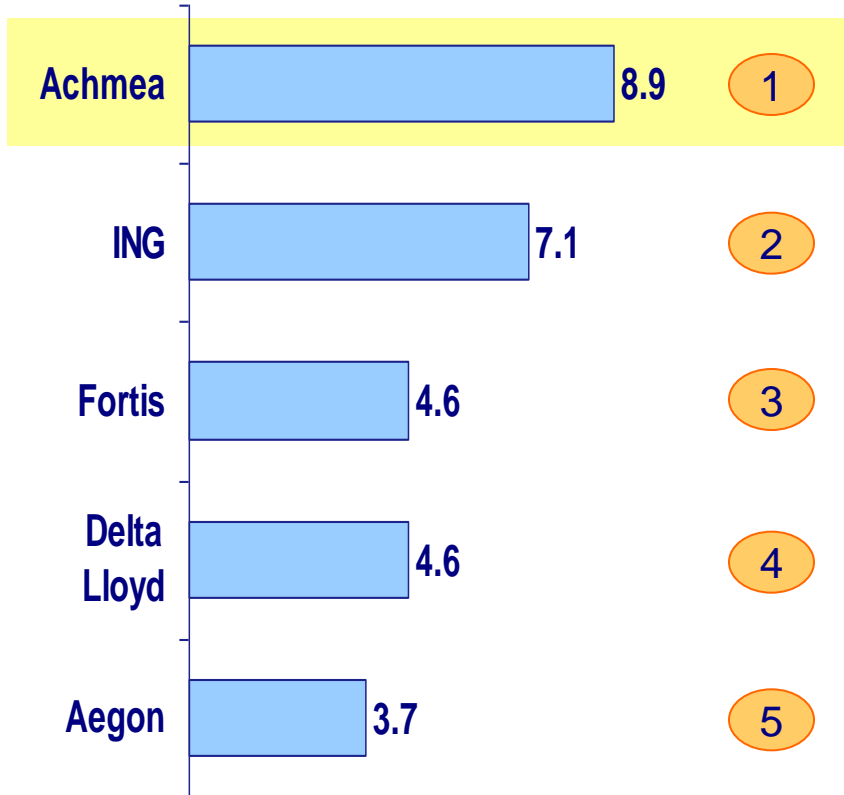
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## Eureko is leader in the Netherlands ...

Premium Income 2005, € bln

Market Position

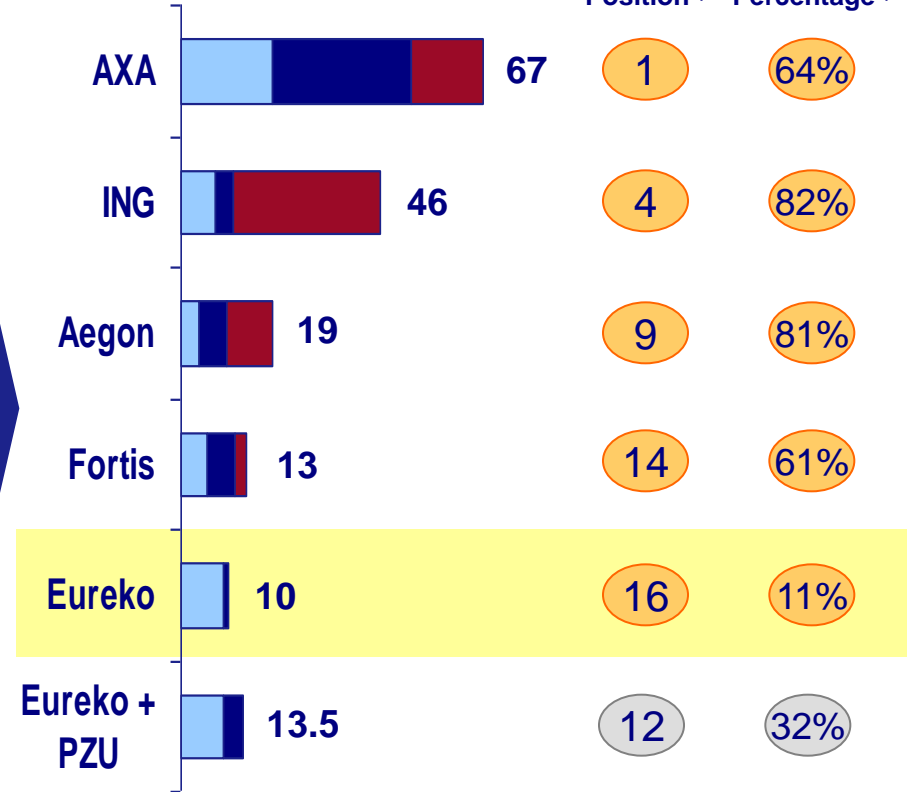


## ... but has limited European presence

Premium Income 2005, € bln<sup>1)</sup>

Market Position<sup>1)</sup>

International Percentage<sup>2)</sup>



■ Domestic ■ Rest of Europe ■ Rest of World

1) Ranking in terms of worldwide premium income of European insurance companies

2) Defined as non-Dutch for Eureko, ING, Aegon, and non-Benelux for Fortis



**Build a European financial services group based on core business of insurance and insurance-related business**

- Consolidate and grow in the well-established Dutch market
- Expand in European growth markets, especially in Central and Eastern Europe



- **Further integrate Achmea and Interpolis**
- **Focus on cost leadership and operational excellence**
- **Strengthen our position in distribution channels**
  - Exploit leading positions in direct, banking and employer-employee distribution channels
  - Grow in intermediary channel and distribution via internet
- **Capture growth opportunities due to legislative changes**
  - Offer our clients innovative new products which address new environment and fiscal regulations
  - Leverage our strong (and improved) position in the Dutch health insurance market



- **Strengthening of Eureko's European Operating Companies through organic growth and selective M&A**
- **Leveraging Associate Companies and partnerships via EurAPCo and Rabobank**
  - EurAPCo is an alliance of independent European companies mainly active in insurance
  - Members of EurAPCo are MAAF-MMA (France), Friends Provident (UK), Gothaer (Germany), Länsförsäkringar (Sweden) and Swiss Mobiliar (Switzerland)
  - Explore cooperation with Rabobank in selected European markets
- **Resolving the PZU situation**
  - On-going conflict between the Polish State and Eureko on implementation of the legal agreement to acquire a further 21% of PZU shares

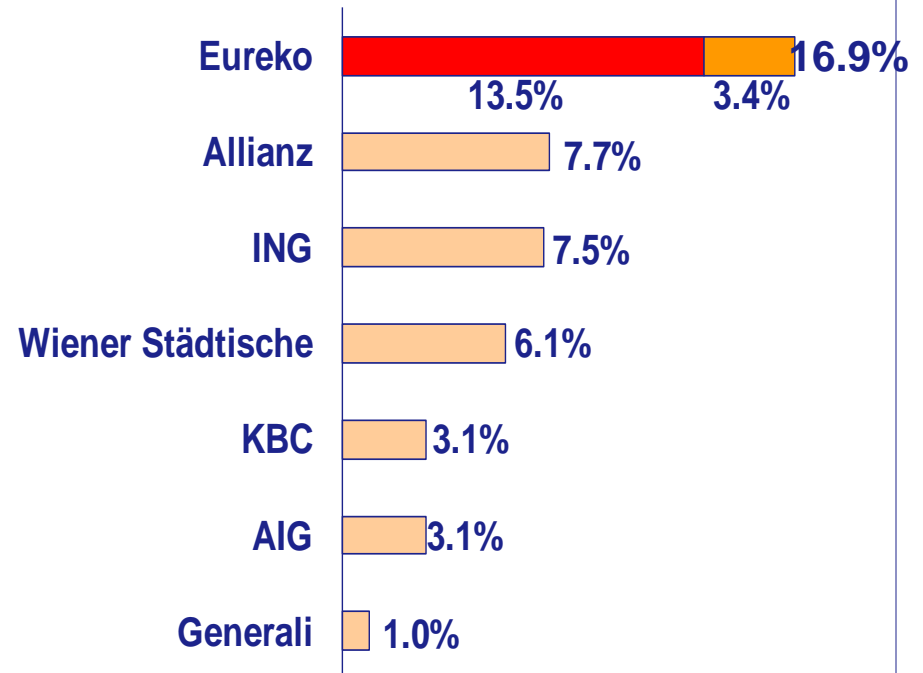
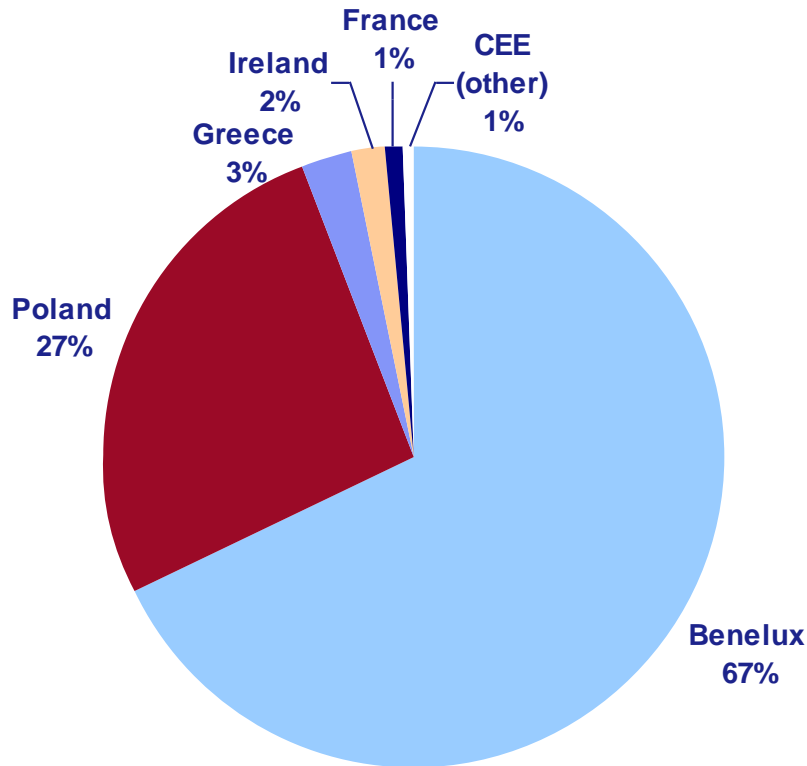


**Eureka diversification would strongly improve ...**

Pro Forma Eureka GWP 2005, including 100% of PZU: € 13,407 million

**... with leading position in CEE\***

International Players in Central and Eastern Europe  
Market share (based on GWP for 2005)



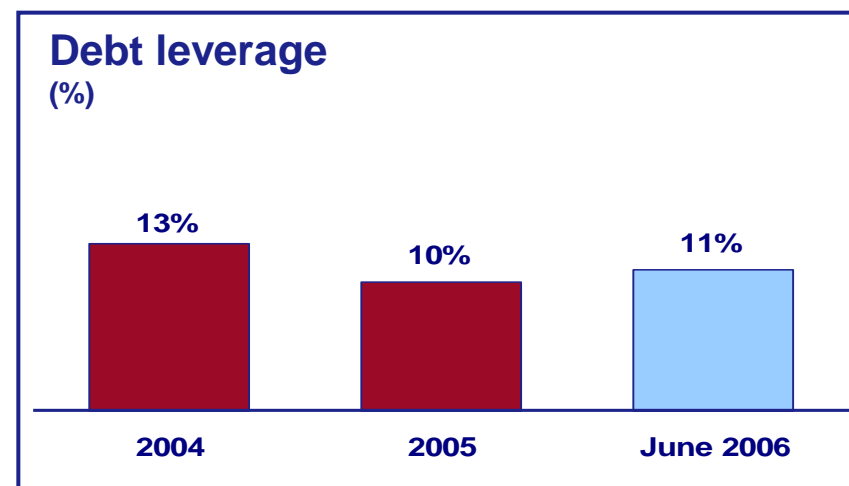
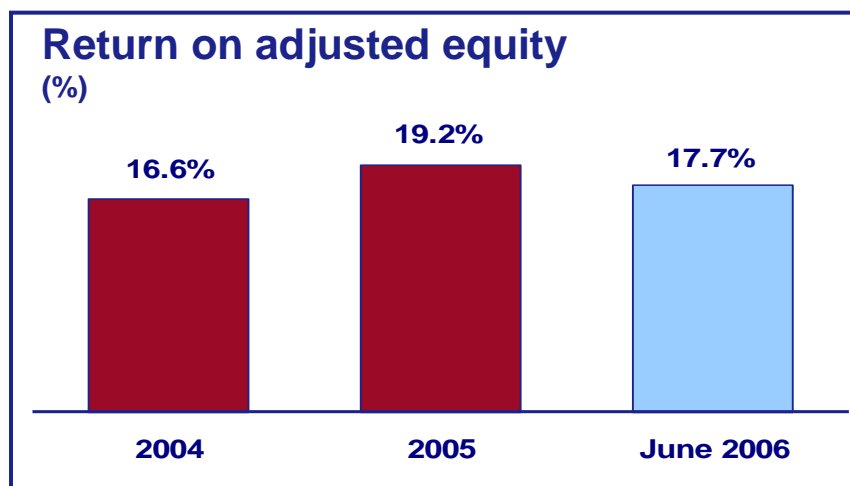
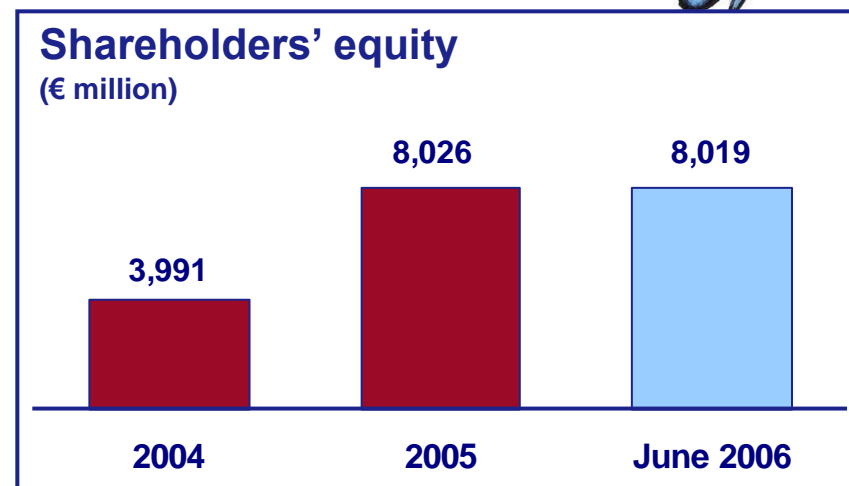
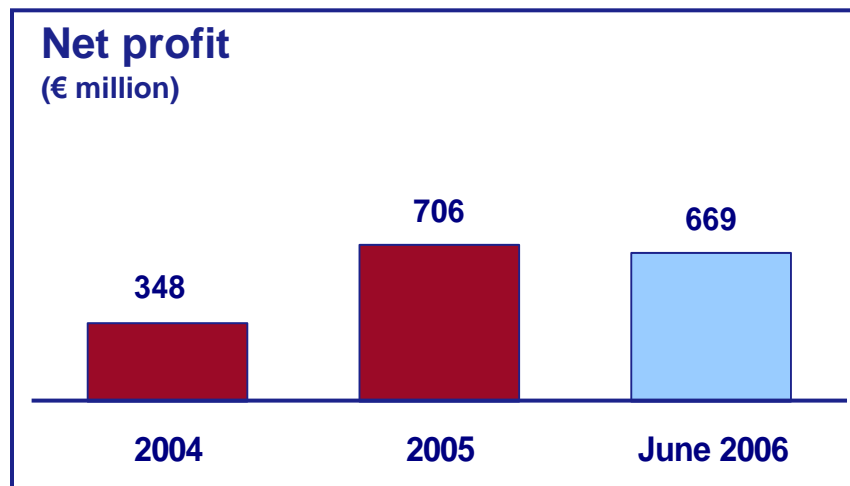
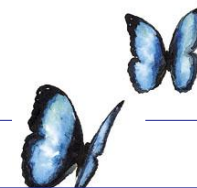
■ PZU  
■ Eureka

\* Including: Poland, Czech Republic, Hungary, Slovakia, Croatia, Romania, Bulgaria, Turkey and Greece

With PZU, Eureka would become the market leader in Central and Eastern Europe



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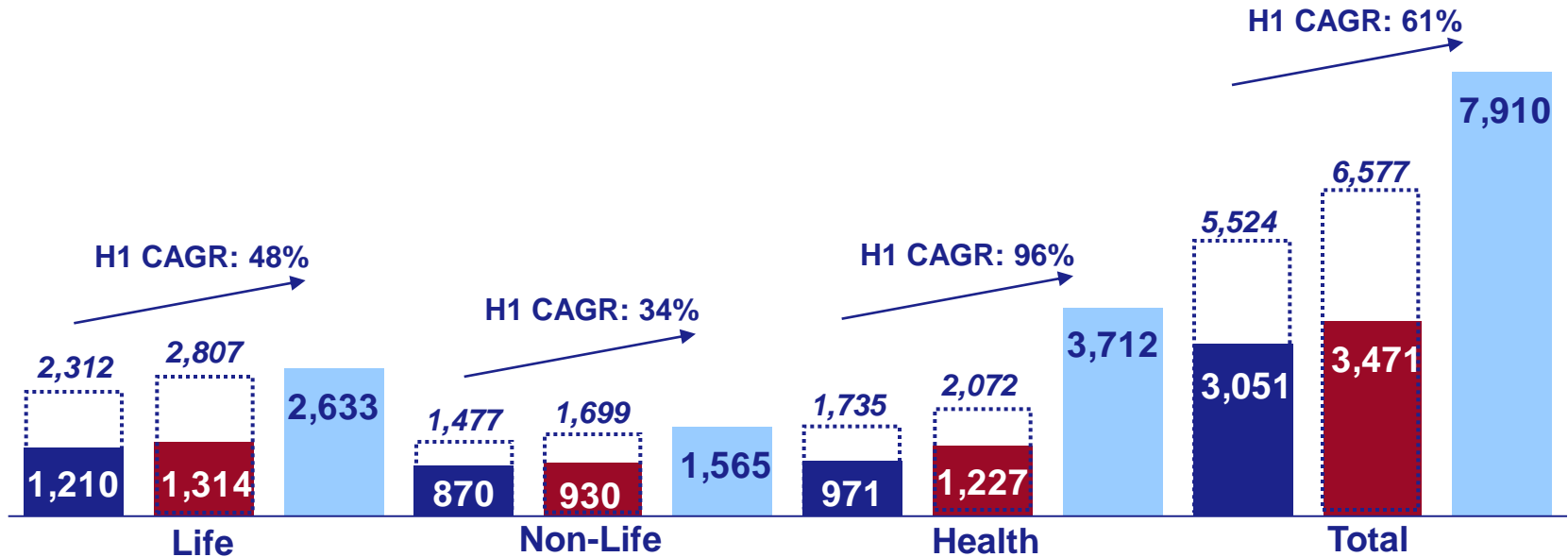


- **Net profit 2004** excludes the sale of F&C Management of € 675 million. Including this sale, net profit would be €1,023 million
- **Shareholders' equity 2004** include shares subject to repurchase agreements for € 790 million
- **Return on adjusted equity**: excluding goodwill, hybrid capital and preference shares





**GWP, € million**



- Value driven sales
- Dutch market position: #2
- M&A: Interpolis, Levob

- Strong results
- Dutch market position: #1
- M&A: Interpolis, Levob

- New basic health system
- Dutch market position: #3
- M&A: Public Health Funds, Levob, OZF/OZB, Dutch AXA Health

- Autonomous growth and M&A
- Dutch market position: #1



= Full Year Gross Written Premium

<sup>1</sup> 2005 figures include 2 months of Interpolis

<sup>2</sup> June 2006 include 6 months of Interpolis

CAGR: Compound Annual Growth Rate

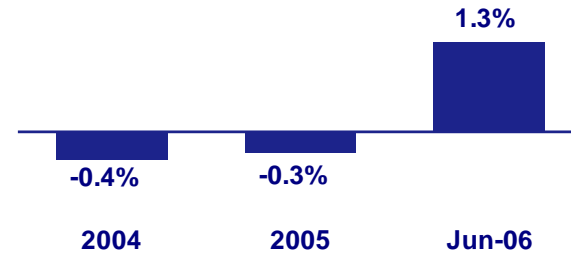
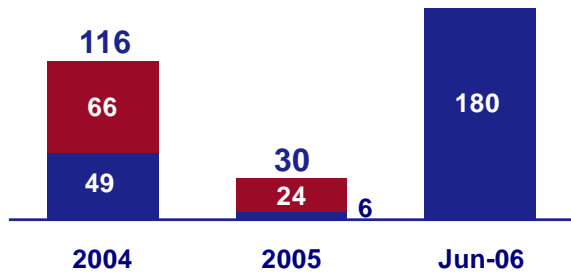
**2004**    **2005<sup>1</sup>**    **June 2006<sup>2</sup>**



€ million

***Life insurance continues recovery: positive NBM***

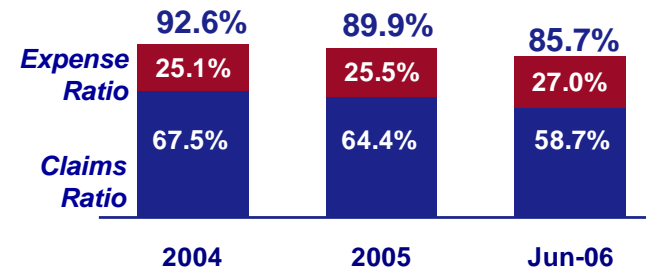
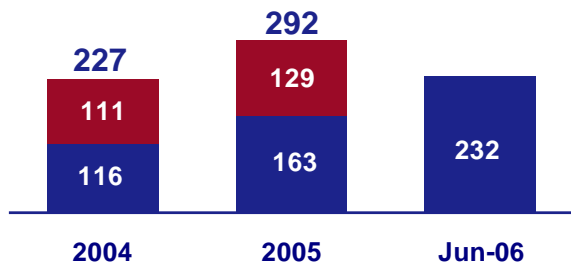
H2  
H1



**Technical results** strongly increased resulting from the merger with Interpolis and release of provisions in 2006. Excluding one-off reserving, Technical Result for December 2005 of € 106 million and for June 2006 of € 115 million

**New business margin** increased in 2006 as a result of the acquisition of **Interpolis**, selling more profitable products and a lower expense ratio

***Non-Life performance is strong over the years***



Strong positive development of the **technical result** comes from the inclusion of **Interpolis**, the improved combined ratio and increased investment results

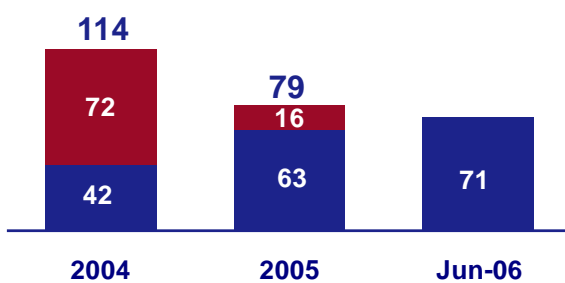
Improving of the **combined ratio** as a result of cost control, lower claims (increased congestion, more roundabouts), strong claims handling and risk selection



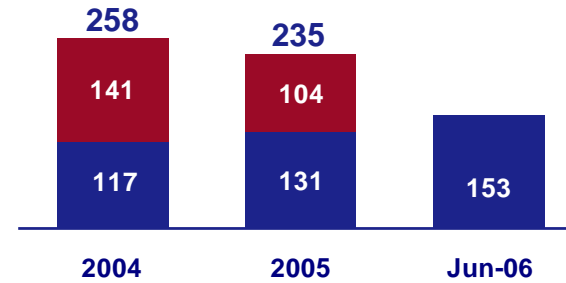
€ million

## Health: strong market position; modest profitability

H2  
H1

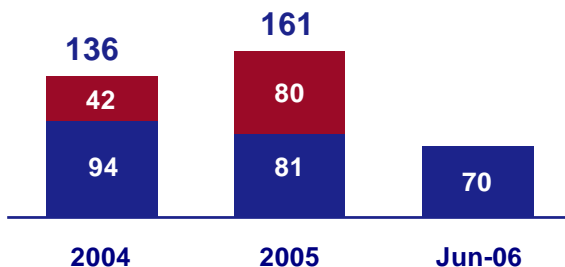


The decline of the technical result in Health and Occupational Health insurance is due to the additional investment in the new health insurance system in 2005

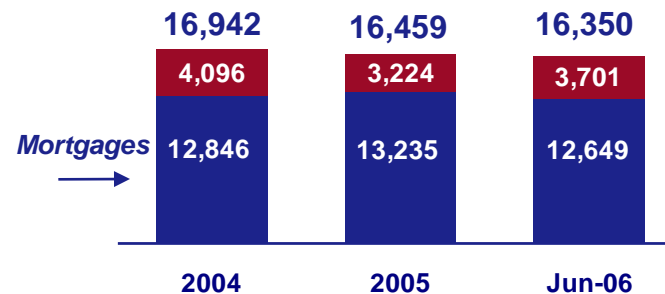


The revenues of Health services include re-integration services and absenteeism prevention in **The Netherlands** and hospitals in both **Greece** and **Romania**

## Banking & Consumer Finance: carrier for insurance products



Net interest margin shows a positive development, but is depressed in 2006 due to pricing pressure on interest margins in the Dutch market



The main part of the banking credit portfolio consists of mortgages of **Achmea Hypotheekbank**. The remainder is corporate and consumer loans from **Friends First Finance**, **Staalbankiers** and **Achmea Retail Bank**

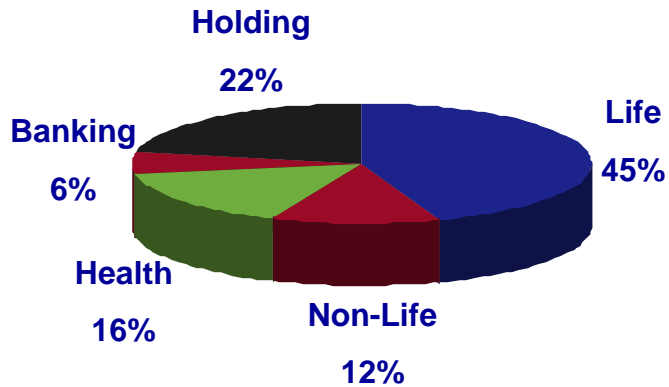


**Total equity per June 2006: € 8,515 million**

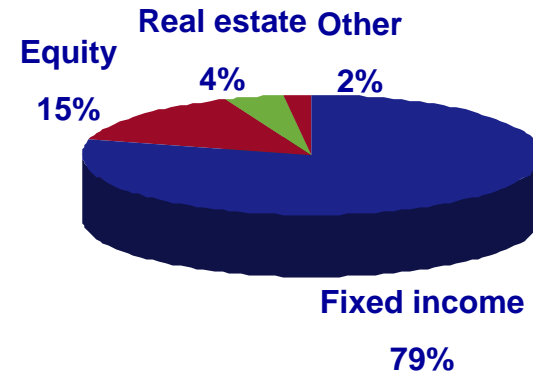
**Total investment portfolio per June 2006: € 35,633 million**

*Strong and high quality capital structure*

*Low risk profile and balanced investment portfolio*



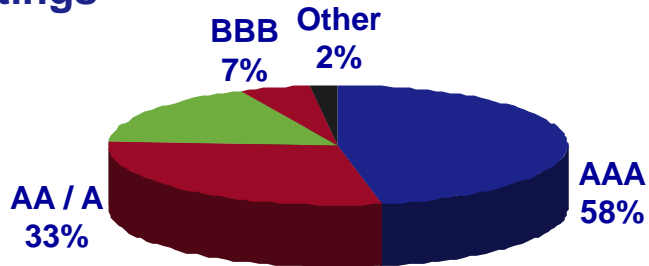
**Group solvency regulated entities per Dec. 2005: 218%**



**Fixed income investments per June 2006**

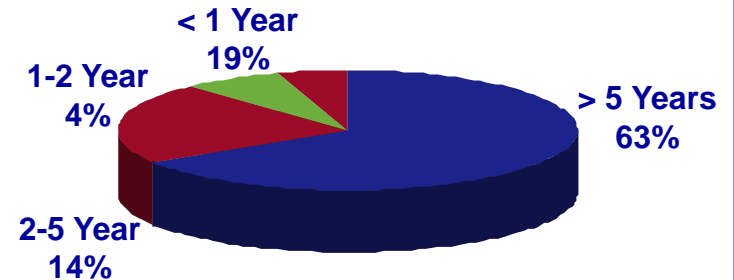
*Fixed income portfolio per June 2006: € 28,134 million*

**Ratings**



**93% of portfolio is rated A or higher**

**Maturity**





**Insurer Financial Strength Rating: A+ (positive outlook)**

**Holding Counterparty Credit Rating: A- (positive outlook)**

S&P report 29 March 2006

### **Strengths**

- Strong debt leverage position with very strong fixed-charge coverage
- Very strong, high-quality capitalisation
- Full ownership of almost all subsidiaries
- Strong liquidity profile

### **Weaknesses**

- Moderate, but improving, visibility in capital and debt markets
- Geographical concentration of earning and revenues in the Dutch insurance markets, although reasonable diversity is provided by the lines of business underwritten

*“The ‘A-’ long-term CCR reflects Eureko’s position as the holding company for the Eureko group, which has a strong management team, very strong capitalisation, and a very strong competitive position in the Dutch insurance markets (that is life, non-life, and health).”*

*“The positive outlook reflects S&P’s expectation that operating performance in the Dutch life and pensions business will improve, providing larger and more stable dividend flows and helping to maintain Eureko’s strong liquidity profile. Furthermore, S&P expects Eureko to maintain fixed-charge coverage at least in line with the rating level through the continuing improvement in operating earnings in 2006 and beyond. The contribution from life and pensions is also expected to increase as the recovery of operations progresses.”* **S&P report, 29 March 2006**



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## Well-positioned, focused Dutch insurer with growth potential in CEE

- European Group consisting of leaders in its territories
  - # 1 insurance group in The Netherlands
  - Leading franchise in Greece
  - Strong position in Ireland
  - 33% stake in largest insurer in Poland
- Multi distribution strategy in Dutch market with #1 positions in direct writing and bancassurance



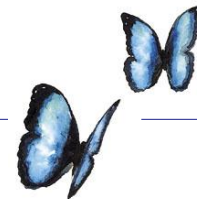
## Strong financial performance and increasing profitability




## Strong capital position

- Stable and supportive shareholders' base, 37.8% owned by Rabobank (AAA rated)
- Strong capital base with surplus of economic capital
- Excellent liquidity profile and low debt leverage





-  Optimise capital structure to support future growth
-  Consolidate strong financial position
-  Establish Eureko's name in the retail markets
-  Diversify Eureko's capital base source of funding – financial flexibility





<b>Issuer</b>	<ul style="list-style-type: none"> <li>▪ Eureka B.V.</li> </ul>
<b>Securities</b>	<ul style="list-style-type: none"> <li>▪ Fixed Rate Callable Perpetual Capital Securities (the “Securities”)</li> </ul>
<b>Issue Ratings</b>	<ul style="list-style-type: none"> <li>▪ BBB (expected)</li> </ul>
<b>Coupon</b>	<ul style="list-style-type: none"> <li>▪ The Securities will make annual payments in arrears at a fixed rate of 6.0 – 6.125%</li> </ul>
<b>Capital Treatment</b>	<ul style="list-style-type: none"> <li>▪ Regulatory capital (expected “Tier 1” equivalent treatment) when the issuer becomes subject to consolidated supervision.</li> </ul>
<b>Ranking</b>	<ul style="list-style-type: none"> <li>▪ The Securities will rank (i) senior to Eureka’s outstanding Preference Shares and ordinary shares; (ii) <i>pari passu</i> among themselves and (iii) junior to all other debt of the Issuer (including all senior and subordinated debt)</li> </ul>
<b>Deferral of Interest Payments</b>	<ul style="list-style-type: none"> <li>▪ <i>Mandatory Deferral:</i> (i) prior to the Issuer becoming subject to consolidated supervision, mandatory deferral in case the Issuer is not solvent, (ii) following the Issuer becoming subject to consolidated supervision in case the Issuer is not in compliance with the applicable Capital Adequacy Regulations</li> <li>▪ <i>Optional Deferral:</i> at any time at the Issuer’s discretion, subject to a dividend pusher</li> <li>▪ Any deferred payments (either optional or mandatory) must be satisfied by the Issuer by using the Alternative Coupon Satisfaction Mechanism</li> </ul>



<b>Optional Redemption</b>	<ul style="list-style-type: none"> <li>▪ The Securities are redeemable at the option of the Issuer on the first call date and every interest payment date thereafter</li> </ul>
<b>Special Event Redemption / Conversion</b>	<ul style="list-style-type: none"> <li>▪ The Securities are redeemable at the option of the Issuer upon               <ul style="list-style-type: none"> <li>(i) Loss of tax deductibility / imposition of withholding tax;</li> <li>(ii) Loss of regulatory capital treatment; or</li> <li>(iii) Loss of equity accounting treatment</li> </ul> </li> <li>▪ The Securities are convertible into other qualifying Tier I or equity instruments (having materially the same terms as the Securities) upon the occurrence of (ii) or (iii) above, respectively</li> </ul>
<b>Substitution</b>	<ul style="list-style-type: none"> <li>▪ Upon a breach of capital requirements, the Issuer may substitute the Securities with non-cumulative preference shares having materially the same terms</li> </ul>
<b>Listing</b>	<ul style="list-style-type: none"> <li>▪ Euronext Amsterdam</li> </ul>



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