EUREKO 2010 ANNUAL REPORT

EXECUTIVE BOARD STATEMENT

Eureko can look back on 2010 with a degree of satisfaction. We are reporting some gratifying results and the satisfactory progress of a number of issues. These include the IPO of the Polish insurer PZU, the unit-linked settlement and a reduction in both organisational and structural complexity. In 2010, we reviewed and further reinforced our commercial partnership with major shareholder and distribution partner, Rabobank. We also announced a merger with health-insurer De Friesland Zorgverzekeraar that, subject to regulatory approval, should take place in 2011.The process of continuous improvement we have put in place is well on track but there is still much to do. In our international business, we divested a number of non-core activities so that we can now focus on developing and building our business in selected markets, such as Turkey, Russia and Greece. At the end of 2010, Standard & Poor's improved Eureko's outlook from negative to stable – this makes us the only Dutch insurer whose rating has not been downgraded since the crisis began in 2008.

Financial Position

In 2010, profit before tax from regular activities increased 38% to €504 million (2009: €365 million), this is excluding the proceeds of the subsequent sale of our remaining stake in Polish insurer PZU and the IPO of PZU (€835 million), divestments and an additional provision for unit-linked products. Eureko's total net profit in 2010 was €1.2 billion. Insurance markets in the Netherlands continue to be highly competitive, but we were still able to increase total premium income and improve our insurance results. Financial markets stabilised further resulting in improved investment results. The results of our international operating companies increased €57 million, but remained negative. During 2010, we were able to further increase total equity to €10.4 billion, up from €10.1 billion in the previous year even though we paid out over €1 billion in dividends to shareholders.

Group solvency remained robust in 2010 and further improved to 220% under Solvency I standards. Solvency II will come into effect for all insurers in 2013. Both regulators and the industry as a whole consider Eureko to be at the forefront of preparations for Solvency II. We are confident about the outcome based on what we know so far. To date, all stress testing confirms the effectiveness of our prudent risk policy concerning our financial position.

Market conditions

Competition in all insurance business lines is increasing. In the Netherlands, we are operating in a highly saturated market. For the coming years, our forecasts show no more than 1% growth. Competition often comes from new entrants with a lower cost base. These developments were expected. Eureko has already responded to a changing marketplace. Internet insurer InShared was launched some years ago and has captured promising growth.

Each sector within the industry has its own particular context and environment. In health insurance, for example, we are advocates of more market forces in health care through the improvement of the risk equalisation system and the phasing out of budget financing of health care providers. But, in the interests of our customers, we also advocate the cautious, phased introduction of those forces, with predominant focus on quality of patient care. A new Dutch government was finally formed in October 2010. However, the consequences of policies on, for example, health care are not yet fully clear. In line with a trend that has been ongoing for a number of years - government withdrawal from the health and income-protection arenas – we also see opportunities. Sustainable pension policy is one area. But there is also potential in the possible privatisation of disability insurance

The solidarity principle

We are an organisation that is aware of its social leverage - we have close interest in the health, non-life, life and pension insurances of millions of customers in the Netherlands alone. We also have an inherent sense of responsibility to the communities we serve. We have a predominantly cooperative background. Solidarity therefore remains a fundamental principle for Eureko. From that perspective, there are social developments that are cause for concern.

EXECUTIVE BOARD STATEMENT

These include the growing lack of tolerance in our society and the erosion of solidarity for the more vulnerable among us. By revitalising our cooperative background, we are committed to maintaining the solidarity principle in insurance that is an irrevocable part of our cooperative heritage. Both solidarity and trust are core concepts for Eureko. We see insurance as a way of sharing risks. That is how we win our customers' trust. From that point of departure, the step to corporate social responsibility is a logical one. For us, it is not a special activity. It is part of the traditions and culture of our organisation.

Revitalisation cooperative identity

Two of Eureko's largest shareholders, Rabobank and Vereniging Achmea, also have cooperative backgrounds. The largest, Vereniging Achmea, is an association of and for our customers. It acts as guardian of our cooperative heritage and forms a platform for customer members, also in taking shareholder decisions on the future of Eureko. Reaffirming our mutual background distinguishes Eureko in the market place. The focus on our 'balanced stakeholder - customers, employees, shareholders and business partners - also sends a clear signal about what we stand for. We have a role and responsibility, particularly in our way of serving customers.

Customer satisfaction

The industry is still seen quite negatively by the general public. One of the main factors in negative customer perceptions on the insurance industry was the cost-loading on unit-linked products. There has been a lack of transparency to customers and they have taken issue with unclear costs and commissions. In 2010, a maximum on costs was agreed. And we have even taken this agreement one step further. Achmea is the first insurer to compensate customers upfront if it proves that costs exceed the maximum agreed in the arrangement with consumer organisations.

The broker commission concept also came in for extensive discussion in 2010. We certainly see a role for broker commission if customer and intermediary agree on the remuneration of services in advance.

We believe it will take a long time to regain the trust that was lost. However, in the largest and most extensive survey ever undertaken among customers in the Netherlands, in 2010, the Association of Insurers found that policyholders generally rated their own insurance provider with solid average scores of well above 7 out of 10. Just about all our Dutch labels outperformed the industry average. The Trust Mark launched by the Association in 2010 was also achieved by almost all our labels.

Strategic change

We have a clear strategy focused on structural cost reductions, the embedding of a continual and customer-oriented improvement programme (SENS), reduction of complexity in products and processes, more commercial focus, professionalism and choices in what and where we operate. Through 2010, we made progress on all these strategic components. For example, we have been successful in reducing structural costs by €268 million in the past two years. We are confident that we will meet the target of €300 million cost reductions by the end of 2011. SENS has now been implemented in all business units in the Netherlands. Complexity reduction has led to the creation of so-called domains. These will act as integrated back-offices for our diversified brands and generator of new propositions. It is here we are concentrating new IT resources following a strong reduction in legacy systems. New propositions will offer customers what they want and need so they feel well insured for a reasonable priced premium. This development is also significant for our business partners. In 2010, we made a unique agreement with Philips to further develop home care facilities for certain chronic illnesses. This is an example of how we aim to facilitate higher quality patient care while getting the most out of the health euro.

Employee commitment

At a time of change, it is usual to see a decline in employee satisfaction and commitment. Not at Eureko in 2010. We achieved the highest ever response and score on an Employee Satisfaction and Commitment survey. The high scores were just as apparent in external surveys.

EXECUTIVE BOARD STATEMENT

In 2010, Eureko was judged the second best employer in the Netherlands and the top place to work in both the finance and the insurance sectors.

Bi-centenary celebrations

Our reaffirmed cooperative concept would be just as easily understood by Ulbe Piers Draisma who was prominent in creating the forerunner of what we now call Achmea. With 39 farmers and local notables of good standing, he began the Achlum Mutual Guarantee society 200 years ago. We will be marking this bi-centenary to show where we come from, what we stand for and where we are going as an organisation with its roots deep in Dutch society. A number of events have been planned over the year, including a gift for society. The Achlum Convention will involve many politicians, artists, business and regular people in a debate on the Netherlands and its future.

Looking ahead

We had designated 2009 and 2010 as transitional years. In 2011, we aim to further build on what we have already achieved. The aim is to build an efficient, customer-oriented, lean organisation with clear propositions for our customers. By reinforcing our cooperative identity and the membership policy in cooperation with major shareholder Vereniging Achmea, we will firmly put our customers at the centre of everything we do.

At the end of a solid year and on behalf of the Executive Board, all that remains is for me to thank all our stakeholders – customers, employees, shareholders and business partners. We need them all to ensure a cooperative future for the whole Eureko Group.

Willem van Duin
Chairman of the Executive Board, Eureko B.V.
Zeist, 21 March 2011

CONTENTS

For Five Years' Key Figures, please see inside back cover.

PROFILE AND CORE VALUES

Eureko has a clear ambition: to become the most trusted insurer. We pursue this ambition by being customer driven and result oriented in all our operations. In that way, we earn the trust of our customers and other stakeholders.

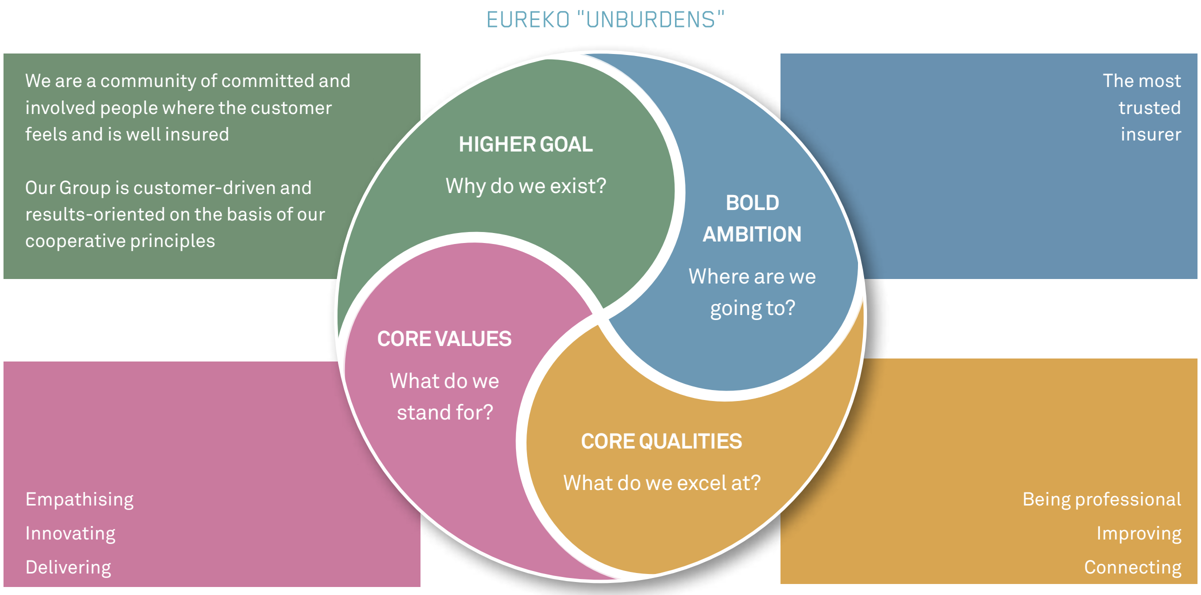
We are different from the majority of insurers because we have a cooperative background. We have made a committed choice to retain and even revitalise that identity. Through our cooperative background, we form an integral part of the communities we serve. Although we are market leader in many areas, we have not relinquished our cooperative, socially committed approach. We are also different in that Eureko is stakeholder driven - employees, shareholders, business partners and customers as first among equals.

Our largest shareholders, Vereniging Achmea and Rabobank, have cooperative backgrounds. Vereniging Achmea is a represenation of all our customers in the Netherlands. Its primary tasks are to safeguard Eureko's continuity into the future and represent the collective interests of customer members.

We are a Group of strong insurance brands in eight countries, with the Netherlands by far the biggest market. Compared to the position in the Netherlands, Eureko has a a more modest but also significant and sometimes market-leading position in other countries: Bulgaria, Greece, Ireland, Romania, Russia , Slovakia and Turkey. In the Netherlands, the focus is on long-established core competences, Non-life, Health and Income protection. Products and services are marketed by well-known brands, such as Agis, Avéro Achmea, Centraal Beheer Achmea, FBTO, Interpolis, Syntrus Achmea and Zilveren Kruis Achmea, through a full range of distribution channels – direct writing, bank and broker – so that customers can choose the service that suits them best.

From the leading position in the Dutch market, Eureko aims to position in Europe as an innovative player in selected markets. We already have strong positions in some markets. International markets are developed based on core competences and the potential for economies of scale.

IDENTITY



OUR CORE VALUES

EUREKO'S CORE VALUES

Our long-standing core values continue to guide everything we do to ‘unburden’ our customers while achieving continuity in our business into the future. We have now further defined the core qualities our employees need to help achieve both our higher goal and our bold ambition:

We can give even greater power to these values by helping our employees to pursue professionalism and continual development of their skills. Our aim is ongoing improvement of our business processes so that customers feel well served. This is a key component in feeling ‘well insured’. Connection is at the heart of what we aim to achieve through a combination of professional skills, efficient business processes and, above all, customer focus.

SUPERVISORY BOARD REPORT

The reporting year has been a period of intense activity for the whole Eureko Group and therefore for its Supervisory Board. A whole range of challenges and developments were prioritised during 2010, from the further reduction of legacy complexity in systems and processes, the post-crisis marketplace and a reduction in one major shareholder's stake in Eureko. These and other important topics are highlighted here.

Supervisory Board meetings and committees

Eureko's Supervisory Board held six regular meetings during 2010. All were held in Zeist with one exception. During a working visit to Friesland, one meeting was convened in Leeuwarden in the northern part of the Netherlands. One extraordinary meeting was convened on PZU by conference call. The majority of members attended all meetings; absence was negligible. Where necessary, mandates were provided to other members for voting purposes.

Every year, one meeting is dedicated to the Supervisory Board's functioning and governance of the Group. In 2010, the functioning of the Supervisory Board's three dedicated committees - the Audit & Risk, the Remuneration and the Selection and Appointment Committees – was reviewed in depth. It was agreed that this committee structure is very effective and efficient. The Supervisory Board takes decisions based on, among others, the advice of its committees. In 2010, the Dutch Central Bank (DNB) carried out a review of governance in all financial institutions. The report on Eureko was a priority at this meeting and the Supervisory Board concurs with a reduction of complexity in the Group's governance. The expectation is that this will be achieved in the first half of 2011.

The Audit & Risk Committee, comprising Erik van de Merwe (chairman), Marinus Minderhoud and Bé van der Weg, does a wealth of qualitative work in preparation for the full Supervisory Board meetings. The Audit & Risk Committee met 15 times in 2010. The Chairman of the Executive Board, who is responsible for audit and compliance, and the Chief Financial Officer, who is responsible for finance and risk, attend Audit & Risk Committee meetings. The meetings are further attended by the directors of Internal Audit, Strategy & Performance and Risk Management. The external auditors attend all meetings and meet with this committee annually without the presence of regular participants. The Remuneration Committee and the Selection and Appointment Committee both consist of the same five members drawn from the Supervisory Board: Flip Buurmeijer, Bernard Bijvoet, Marinus Minderhoud, Henk Slijkhuis (chairman Remuneration Committee) and Arnold Walravens (chairman Selection and Appointment Committee). The Chairman of the Executive Board attends the meetings but absents himself during agenda items where his own functioning or remuneration is discussed or in other cases when the Committee Chairman so requests. In 2010, the Remuneration Committee met three times. The Selection and Appointment Committee met twice in 2010.

During the year, Supervisory Board delegations maintain contact with the regulators such as the DNB and the Financial Markets Authority (AFM). The Supervisory Board was gratified to learn that Eureko's approach to such issues as transparency, compliance and product development is perceived as very positive.

Report of the Supervisory Board

In 2009, Eureko thoroughly sharpened its strategy, both in the Netherlands and internationally. Throughout 2010, considerable work has been done to drive and further implement the strategy. Progress on implementation was a regular topic at all Supervisory Board meetings. There are also a number of specific agenda points that recurred throughout the year and which required special attention.

SUPERVISORY BOARD REPORT

HOW WE ARE SUPERVISED

These include:

- the desired reduction by Rabobank of its shareholding to under 30% and the resulting changes in governance;
- the intended merger with health-insurer De Friesland Zorgverzekeraar;
- the effects of Solvency II and the definition of Eureko's risk appetite, specifically in the wake of the global financial crisis and ensuing changes in the market;
- ongoing efficiency drives, also through reduction in legacy complexity, specifically in IT systems but also in business processes through SENS, the customer-focused strategic change programme designed to realise operational synergies and efficiencies;
- Group performance against budgets;
- the PZU initial public offering (IPO);
- trust and transparency in the insurance industry;
- the integrity scan for products currently in development;
- HR instruments;
- Vereniging Achmea's membership policies; and
- the review of remuneration policy.

Rabobank's proposed reduction of its shareholding in the Group was a recurring agenda point throughout the reporting year. The driver behind this reduction is the new Basel III regulations. Eureko's other major shareholder, Vereniging Achmea, will increase its stake. Eureko will use the revenues from selling a consumer finance portfolio to Rabobank to part fund the repurchase of shares, subject to regular solvency conditions. Most discussions centred on how to reinforce and emphasise commercial cooperation between Rabobank and Eureko. One end result was that Rabobank and Eureko remain committed to retaining and growing the strategic and commercial partnership. Both parties have reached a preferred partnership agreement.

During discussions on first-quarter figures following the report of the Audit & Risk Committee to the full Supervisory Board, main items were the need for special focus to reduce costs over the ensuing quarters, the lag in Pensions' commercial performance due to low interest rates, and exposure to the so-called GIIPS countries (Greece, Ireland, Italy Portugal and Spain). This exposure had already been reduced during the previous year's de-risking programme. However, the situation in Ireland is under constant review. The revised Code of Conduct developed by the Dutch Association of Insurers was discussed as well. Customer confidence in the insurance industry was discussed following more negative press reports on new capital and solvency requirements. The implication is that these could lead to higher premiums. There is a concern that countries may be over-regulating, especially following the financial crisis.

Progress on the PZU IPO was reviewed in depth and the Supervisory Board mandated the Executive Board to participate in the IPO. In April 2010, the Supervisory Board convened an extraordinary meeting by conference call ahead of the proposed PZU IPO. Specifically, the meeting discussed valuation range. A final go-ahead was given for the transaction which was executed successfully in May 2010. The Supervisory Board later mandated the Executive Board to divest the remaining 13% holding in PZU. This transaction was finalised in November 2010.

The results of efficiency programmes aimed at improving business processes and reducing costs were discussed with Executive Board members. In the final meeting of the reporting year, December 2010, the Executive Board presented and the Supervisory Board approved the 2011-2014 Business Plan and 2011 Budget for the Group.

Report of the Audit & Risk Committee

The Audit & Risk Committee had 15 meetings during the reporting year of which nine regular and six conference-call meetings. At the latter, amongst others, figures for delivery to shareholders and related audit reports were discussed. A series of regular meetings in the first quarter discussed Eureko's full-year 2009 results. The same applies for the Finance and Risk department within the Group that was restructured in late 2009. Furthermore the Risk dashboard that had been in development was approved.

HOW WE ARE SUPERVISED

Special focus on Value of New Business (VNB) was signaled, with greater emphasis on cost reductions, especially in IT. Progress on Solvency II is on track. Other regular items included: liquidity, solvency, results and investments/divestments. There were also several informal meetings with the external auditors. The periodic tender process for a new external auditor for 2011-2014 was started mid-year 2010. PricewaterhouseCoopers was selected in early 2011, subject to approval of the Annual General Meeting of Shareholders (AGM).

The committee indicated it preferred to see a non-consolidated Internal Control Statement (ICS) so that detailed risk per business unit is clear. A more detailed ICS satisfied the committee as it provided a thorough overview of risk and control. A risk appetite statement is also in development.

Following a thorough review of compliance within the Group, the recommendation was to migrate Compliance from a monitoring function to a more executive role. The committee concurred and proposed clear identification and definition of responsibilities for Group Compliance, Group Internal Audit and Group Risk Management.

The published new mortality tables were considered at length by the committee. These have far-reaching implications for the Life business. Actions, including the assessment of insurance liabilities, were monitored through the year. In the final additional committee meeting of the year, it became clear that the new tables would have a limited effect on net profit in 2010 due to provisions made in the past but would impact the outcome of the liability adequacy testing.

Report of the Remuneration Committee

Eureko's remuneration policy is aimed at recruiting and retaining the highest calibre executives. The Remuneration Committee's primary task is to monitor policy application; it met three times in 2010. A regular review of remuneration is carried out to ensure that reward levels are appropriate to the duties and responsibilities of the role. This includes a suitable balance between fixed and performance-related elements. In determining salary levels for executives, comparisons are routinely made across the industry, usually every two years. The Remuneration Committee began a review in 2009 and a revised policy was implemented in March 2010.

Considerable adjustments have been made to Eureko's Remuneration policy. The current benchmark for remuneration is the so-called Maas Commission. Eureko satisfies all recommendations of this commission and for some time has pursued a responsible remuneration policy focusing on short- and longer-term components. Stock options have been abolished. Now, Executive Board members can achieve variable remuneration of no more than 100% of fixed income. If all targets are achieved, then a maximum of 85% can be awarded. A further 15% can be granted for outperformance. Through the year, the Remuneration Committee evaluates Executive Board performance against preset targets. These targets represent a balanced four-stakeholder – customers, employees, shareholders and business partners – approach. They include profit; customer satisfaction; cooperation with distribution partners, such as Rabobank and brokers; performance measurement; quality of audit; compliance; risk management; employee satisfaction; and corporate social responsibility. The committee subsequently makes proposals for long-term variable income components. The Central Works' Council receives a report on the remuneration of senior management in the Group, the Executive Board and the Supervisory Board annually. Awards in any specific year apply to performance in the previous year. Results in 2008 were such that no variable remuneration was awarded in 2009 following a voluntary waiver by the Executive Board and senior management. Average remuneration in 2010 increased €0.62 million to €1.4 million mainly as a result of the payout of short-term employee benefits. A portion of these average short-term benefits, €0.26 million, is reserved and will be paid out in later years (with a claw back clause).

HOW WE ARE SUPERVISED

AVERAGE REMUNERATION
EXECUTIVE BOARD MEMBERS (€ MILLION)

	2010	2009
Fixed remuneration	0.64	0.60
Short-term employee benefits paid in 2010	0.28	0.00
Short-term employee benefits (reserved with claw back)	0.26	0.00
Post-employment benefits active board members	0.22	0.18
Total	**1.40**	**0.78**

Report of the Selection and Appointment Committee

In 2010, this committee that, as its name suggests, is responsible for selecting and nominating candidate members of both the Supervisory and Executive Boards, met twice. One task was the replacement of Bouke Y. Yntema who was stepping down for medical reasons. Furthermore, three Supervisory Board members' terms expired in 2010. Messrs Bé van der Weg, Erik van de Merwe and Antoon Vermeer were all reappointed by the AGM in April 2010. The committee and its members met with potential candidates both in group session and individually. At year-end, the vacancy remained; the expectation is that it will be filled at the 2011 AGM.

Permanent training

In addition to the information received by the Supervisory Board on specific and topical issues relating to supervision, such as governance, solvency requirements, risk management and remuneration, the full Board participates in so-called permanent training at least twice per year. In 2010, risk management and Solvency II were priority points. Preparation, organisation and presentation of workshops is managed by external experts with support from internal specialists.

Changes in Supervisory Board composition

As noted above, a vacancy arose due to the departure of Mr Bouke Yntema after 19 years of service also with Eureko's predecessors. The Supervisory Board is extremely grateful for his long and valuable contribution. The Supervisory Board now consists of 11 members. One vacancy is still to be filled by Works' Council nomination in early 2011. An additional member could be appointed following the intended merger with health-insurer De Friesland Zorgverzekeraar which is subject to approval by the Dutch regulator, the Netherlands Competition Authority (in Dutch: NMA).

2010 financial statements and dividend

The financial statements have been audited by KPMG. They have issued an unqualified opinion. In accordance with the proposal of the Executive Board and the recommendation of the Audit & Risk Committee, the Supervisory Board endorses the adoption by shareholders of the 2010 Financial Statements. Based on the dividend policy and the agreement with the main shareholders and because an interim dividend has been paid out, we propose to the Annual General Meeting that upon adoption of the Financial Statements, a final dividend of €0.10 (2009: €1.43) per share will be paid. The amount of interim dividend per share paid out in cash amounted to €1.15 (2009: 0) per ordinary share. As well as adopting the Financial Statements and the profit appropriation, the General Meeting of Shareholders 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, 2010.

We would like to take this opportunity to thank the Executive Board, the Central Works' Council, with whom the highly valued mutual relationship was reinforced even further in 2010, and all Eureko employees across Europe for all their hard work and commitment during the reporting year.

Arnold Walravens
Chairman of the Supervisory Board
21 March 2011

STRATEGY

The Eureko Group aims to be recognised by both customers and other stakeholders as the most trusted insurer. This aim drives the clear strategy we have put in place for our market-leading Achmea organisation in the Netherlands and more modest presence in selected countries in Europe. A strong and revitalised cooperative identity forms the strategic foundation and distinguishes us in the market.

GOALS 2011 AND BEYOND

- Sustainable financial growth based on market leadership
- Maintain market leadership in the Dutch Non-life and Health businesses and at least a top-three position in Income protection
- Reduce complexity in the Dutch divisions significantly. Reduce FTEs by 2,500 and costs by €300 million by end-2011 compared to end-2008
- Develop international operations based on core competences and potential for economies of scale

The Dutch insurance market is highly competitive. Achmea is currently market leader in Non-life and Health. We are second in Income protection and have significant positions in all other segments. All short- to medium-term indications are that the total Dutch insurance market can achieve only limited growth, for example in some Non-life products, and even a decline in some Life business lines.

In the past, Achmea's growth was driven largely by merger and acquisition. This has given Achmea scale and market-leading positions in many business lines. However, it has also resulted in a significant and complex legacy, specifically in the product range, processes, systems, and a comparatively high cost base in some areas. There are also a number of external factors in the market that must be addressed. New entrants into the market have low cost bases and use aggressive marketing techniques. The customer is demanding transparency on products and fees. New regulations, such as Solvency II, are setting higher capital requirements, and technological innovation (internet and social media) means customers' expectations are changing all the time.

What are we doing?

Traditionally, we have worked with a four-stakeholder model rather than solely being shareholder driven – customers, employees, shareholders and business partners, with customers first among equals. This is a direct result of our cooperative roots and identity. We have made a committed choice to retain and even revitalise that identity. The reasons are clear. Through our cooperative background, we form an integral part of the communities we serve. It is a way to distinguish Achmea from other insurers. Although we are market leader in many areas, we have not relinquished our cooperative, socially-committed approach.

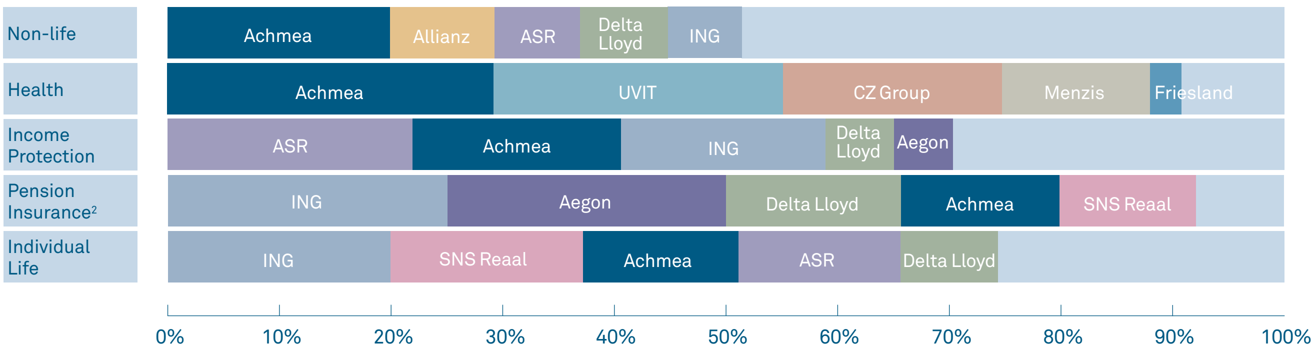
Customer first

We work according to the notion of customers first. The point of departure is the development and delivery of products and services that the customer understands, that he or she needs, for a reasonable premium. The customer should feel well insured. That is why we have developed a framework of norms against which we test all our propositions. This helps us give real significance to the concept of sustainable insurance. The framework of norms determines the standards that have to be met by both existing and new products. Products that do no meet these requirements are adjusted to the customer's advantage. In 2011, we will begin adjusting existing products.

EXECUTIVE BOARD REPORT

EUREKO'S STRATEGY

ACHMEA MARKET POSITION[1] IN THE NETHERLANDS



[1] In 2009. Sources: DNB figures, Market Concerns, Pension insurance and Income protection divisions.
[2] Merger of Pension Fund Achmea is not included in this market share.

THE STRATEGY IN PRACTICE

Core competences

Our strategy has two clear points of departure. First, if we are working from a customer-driven perspective, how can we deploy our core competences to even better effect? Existing core competences - Non-life, Health and Income protection - are delivered through market-leading banking and direct channels. They are being reinforced by investment and innovation. Strengthening the long-term strategic partnership with shareholder Rabobank, especially on distribution of products through the bank channel, will certainly reinforce this component.

Reducing complexity

A second is that in a saturated market, efficiencies can be gained primarily from synergies, specifically in processes, systems and the combination of back offices, thus utilising economies of scale. The fact that we were carrying a complex legacy in a market where synergies are the basis for growth meant we had to take decisive action on making changes and improvements. In the coming years, we will be focusing on reducing that complexity across the organisation. We will do that by becoming even more efficient, lean and well-capitalised. This will enable us to achieve greater operational excellence as foundation for growth. Once we have achieved that clarity and efficiency, we will focus on growth, also internationally. However, if opportunities arise for merger or acquisition, we will consider these. An example is the intended merger with Dutch cooperative health-insurer De Friesland Zorgverzekeraar. This merger will further increase Achmea's market leadership in this segment.

In our drive to reduce complexity and improve efficiency, we are creating business domains. These will act as back-offices and generator of new propositions for all our brands. Innovative, transparent online products are already in development. This is a firm response to customer demand for transparent information, sales and service via internet. We believe that the limited but real growth in the next three years (estimated at around 1% per year) will be generated through online sales. Moreover, by clustering processes within each domain, we will be much more efficient in our operations and related costs.

Business goals

There are clear goals and action plans for each business activity. In core competences, Non-life has already implemented a state of the art straight through processing IT system as part of our drive to reduce IT legacy systems. This will have a positive impact on our competitive position and on both cost and efficiency.

EXECUTIVE BOARD REPORT

EUREKO'S STRATEGY

SWOT ANALYSIS EUREKO GROUP

Strengths	Weaknesses
• Large market share in the Netherlands • Good product diversification • Distribution strength, especially in markets where expected growth is highest • Very strong capitalisation • Realising economies of scale • Conservative investment portfolio • Achmea brands more trusted than market average • Dedicated, highly educated employees • Second most attractive employer in the Netherlands • High customer satisfaction • Revitalised cooperative identity	• Limited geographic diversification • Legacy of IT systems • High cost structure
Opportunities	**Threats**
• Growth of internet as distribution channel • Privatisation of certain markets • Customer Agreed Remuneration • Limited trust in insurance sector	• Low interest rates • Increased life expectancy • Limited trust in Insurance sector • Highly competitive Dutch market • Political decisions on health

In Health, where the market is expected to grow more than 3% per year due to increased cost of care, inflation and longevity, we are pushing the affordable quality concept and stimulating treatment centres of excellence. Prevention is high on the agenda.

In Income protection, growth is expected to be around 2% to 3% per year. Expected growth should come in absentee and disability insurance, primarily due to higher pay agreed through collective bargaining. As the economy picks up and revenues grow, the self-employed are also expected to opt for more protection. Further possible privatisation could create additional upside.

Broker distribution has been redesigned as a marketing and sales organisation. It will use the services of domains and add to economies of scale. In this way, we aim to provide fuller service to a selected group of professional brokers. In turn, these brokers will have access to first-class, standard products developed by Achmea. So-called Customer Agreed Remuneration (CAR) has now been introduced by brokers nationwide as part of a move to make broker services and their costs fully transparent. This will support growth in consumer confidence in the sector as a whole and in the broker segment in particular.

Occupational Health Services should support insurance activities. These services contribute to reducing the claims ratio and increase sales. We are, however, seeing underperformance here as the market has changed significantly. We are currently adjusting our organisation in this segment and how it delivers to improve current performance.

In individual Life insurance and Pensions, which are major activities for Achmea, we have further revised the strategy developed in 2009. Factors such as low long-term interest rates, the success of bank savings and new longevity tables guided this revision. We have decided to focus on term products in individual life insurance rather than the more traditional whole products that are simply

EUREKO'S STRATEGY

not viable in the current economic climate. This is a segment that is in decline. Expectations are that it will lose at least 1% per year in the next few years due to lower sales in mortgage-related products and lower pricing on new life risk insurance. What we are doing is developing a range of standardised, simple and transparent products for our customers in this segment. We have a large number of tailor-made, legacy products that are high maintenance and not sustainable into the future. Any of these products that cannot be fitted into standardised processes will be gradually phased out. We see 'bank savings' products that have the same fiscal advantages as life insurance as an opportunity. We already have a limited product offering and are exploring other sustainable product options. In Pensions, expected annual growth is over 3% in spite of greater austerity in the wake of the financial crisis. Increasingly, Defined Benefit is making way for all types of Defined Contribution. For this reason, we will be concentrating on standardised unit-linked products.

Because we aim to provide full financial services to our customers, banking products will serve the total proposition and offering, specifically in direct distribution.

In Pension Services, Syntrus Achmea will seek further cooperation with social partners and identify economies of scale. At the same time, we are also repositioning in a changing market to full financial services provider, especially in asset and real estate management.

Financial continuity

Continuity is a prerequisite for our business activities. As such, financial continuity especially is a strategic requirement. Following the economic crisis of 2008 and 2009, we successfully restored our capital and equity positions. Solvency is again very strong following stiff measures during the past two years. As one of our ongoing goals indicates, we are now focusing on safe-guarding our financial continuity and strength into the future. This is another area where reducing complexity will be advantageous for us. Our focus is on sustainable financial continuity based on market leadership. We are translating this aim into practical action by investing in innovation, streamlining processes and making our operations more efficient. In 2010, we invested well over €200 million in strategic projects.

Reporting progress

The years 2010 and 2011 were designated by us as 'transitional years', during which processes would be further streamlined, positioning Eureko's businesses even more firmly as the trusted insurer of choice for customers. We have mapped out a strategy over the short-, medium- and long-term. At the end of 2010, we can already report real progress. Our short-term initiatives (cost cutting programme) and mid-term initiatives (SENS and complexity reduction) are on track. These form part of our culture of permanent improvement. We achieved cost savings so far of €268 million compared to year-end 2008. We are confident that we will achieve the €300 million cost-savings target by the end of 2011. Our customer-driven strategic change programme SENS, which aims to realise operational synergies and efficiencies, is also on schedule except for Staff & Group Services where the implementation is proving more challenging than we expected and is, therefore, facing some delay. The strategic reduction of 2,500 FTEs by the end of 2011 is on track. Total reduction in the Netherlands is 1,708 compared to the year-end 2008 base line.

International strategy

The international activities of Eureko are comparatively small, generating about 7% of total premiums. Eureko's long-term international strategy is based on the recognition that a greater geographic and risk spread is in the interests of all our stakeholders. Growth in some European markets is greater than in the Netherlands. These markets offer opportunities for value creation in the future.

EXECUTIVE BOARD REPORT

EUREKO'S STRATEGY

However, our presence in any market is determined by how our operations can develop core competences, grow economies of scale and create value. This means we are investing resources in developing core competences built up over time in the Netherlands. These include knowledge of Non-life, Health, and banking- and direct-channel distribution. Our strategy is to be a significant player in a limited number of markets rather than a small player in many markets. A key driver in our international strategy is that an operating company must generate a return in line with its risk profile and activities must have sufficient scale or have the potential to build that scale. We will consider divestment of those operations that, over time, do not meet these strategic requirements.

What we are doing

In line with this strategy, we have been actively managing the international portfolio and have systematically divested a number of international activities during 2010. Interlife Cyprus was divested in early 2010 through a management buyout. We also sold medical clinics in Romania and re-insurance activities in Luxemburg. In early 2011, we closed the sale of Belgian activities and will close the divestment of Império France in the first half of 2011.

Core markets

A number of our operations are defined as core countries - Turkey, Greece and Russia.

Eureko Sigorta in Turkey meets all criteria and activities will be further developed there. Turkey has a lot of potential and premiums are expected to grow by more than 10% annually as a result of the current low insurance penetration. Besides our Non-life activities, we have an option to acquire 35% of Garanti Emeklilik, partner Garanti Bank's life and pension business. We currently hold a 15% stake. The option can be exercised from the end of June 2010 through the end of June 2012. In turn, Garanti Bank has a put option on 20% of the shares in Eureko Sigorta that can be exercised from the end of June 2010. To date, neither option has been exercised.

In Greece, Interamerican is a well-known label and ranks number two in the market with strong positions in Health, Non-life and Life. Interamerican is currently operating in a very difficult and challenging environment. Therefore growth prospects are currently limited. The strong position will, however, provide potential for attractive results in the future. Since acquiring Russian Oranta in late 2008, Eureko has continued investing in this core strategic operation. Although Oranta does not yet generate returns in line with our expectations for core operations, we consider it a business with potential to deliver significant growth in the future. We expect that developments in the Russian market, such as improving demographics and a growing economy, will support increased insurance penetration.

Other markets

In the other markets, Bulgaria, Ireland, Romania and Slovakia, the objective is to maximise financial value creation. Over the coming years, we will continue to support operating companies in that objective.

GROUP PERFORMANCE

IN 2010, THE WHOLE EUREKO GROUP WAS FOCUSED ON THE ACHIEVEMENT OF AMBITIOUS GOALS. THROUGHOUT THE YEAR, WE WORKED ON PUTTING IN PLACE A MORE STREAMLINED ORGANISATION. WE AIM TO BE MORE EFFICIENT AND CUSTOMER-ORIENTED INTO THE FUTURE SO WE HAVE REDUCED COMPLEXITY, COSTS AND FTES. REAL STEPS HAVE BEEN TAKEN AND PROGRESS IS SIGNIFICANT BUT THERE IS STILL MUCH TO DO.

NET PROFIT

€1,220 MILLION

GROUP SOLVENCY

220%

GROSS WRITTEN PREMIUMS

€19.9 BILLION

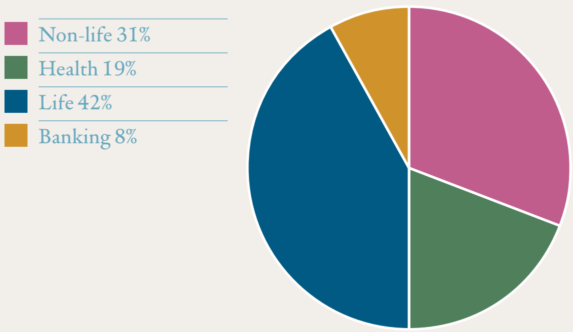
EQUITY

€10.4 BILLION

HIGHLIGHTS

February: Announced sale Interlife Cyprus (closed 5/2010)
May: IPO of PZU
July: Announced sale Avero Belgium (closed 1/2011)
September: New unit-linked settlement offered and announcement of intended merger with De Friesland Zorgverzekeraar
November: Announcement that Rabobank will reduce its stake in Eureko from 39% to approximately 29%; Sale of remaining 13% shares in PZU; Announced sale of consumer loan portfolio
December: Sale of Euroclinic in Romania and Sale of Achmea Re Luxemburg. Announced sale of Império France

EQUITY ALLOCATED TO SEGMENTS



GROUP PERFORMANCE

RESULTS

(€ MILLION)

	2010	2009	Δ %
Gross written premiums	19,852	19,645	1%
Investment income including associates	2,697	1,048	157%
Fee and commission income	481	553	-13%
Other income	2,275	3,514	-35%
Total income	**25,305**	**24,760**	**2%**
Claims and movements in insurance liabilities	19,753	18,859	5%
Operating expenses	3,268	3,226	1%
Other expenses	1,058	1,168	-9%
Total expenses	**24,079**	**23,253**	**4%**
Profit before tax	**1,226**	**1,507**	**-19%**
Income tax	6	126	-95%
Net profit	**1,220**	**1,381**	**-12%**

The IPO and subsequent sale of our remaining stake in the Polish insurer PZU made a significant contribution to results. But what would prove even more important is the measures we took to achieve an improved performance, a stronger solvency position and an enhanced liquidity level.

Net profit/profit before tax

Profit before tax from regular activities was up 38% to €504 million (2009: €365 million). This encouraging increase is due mainly to good insurance results and better investment results. It is partly offset by higher investments in strategic projects mainly related to complexity reduction in our organisation. Several items impacted results in 2010. One of them were the gains from PZU, this was €835 million in 2010 compared to €1,238 million in 2009. In addition to the PZU contribution, we achieved a positive result (€36 million) on divestments, such as Interlife Cyprus and Achmea Re Luxembourg. We have taken an additional provision for the unit-linked policy arrangement we announced in 2010 in the amount of €149 million. Including these items Profit before tax amounted to €1,226 million (2009: €1,507 million).

PROFIT BEFORE TAX

(€ MILLION)

	2010	2009	CHANGE
Profit before tax from regular activities	504	365	139
PZU results	835	1,238	-403
Divestments	36	0	-36
Unit-linked provision	-149	-96	-53
Profit before tax	**1,226**	**1,507**	**-281**

Net profit, excluding the PZU settlement/IPO, increased in 2010 by 22% to €386 million (2009: €317 million). Including these results, net profit amounted to €1,220 million (2009: €1,381 million). However, the exit from this Polish insurer will impact future results. This impact is already apparent in 2010 and will become much more evident from 2011.

Profit before tax by business line

All Eureko business lines, Non-life, Health, Life and Banking contributed to profit. Non-life results improved to €401 million (2009: €259 million) due to higher net earned premiums, better investment income and lower operating expenses. Basic and Supplementary Health insurance results decreased to €262 million (2009: €342 million) due primarily to adjustments in previous years' claims in 2009 in Basic Health insurance. This was partly offset by lower operating costs and a release of provisions in Supplementary Health. Results in Life were higher (€107 million) than in 2009 (-€108 million) due to better investment results and lower operating expenses but were offset by

GROUP PERFORMANCE

unit-linked provisions (€149 million) and the effect of the new mortality tables (€45 million). Banking results improved to €49 million (2009: -€47 million) despite a significantly lower interest margin. The increase was mainly due to lower additions to loan loss provisions at Friends First Finance in Ireland and lower operating expenses.

Net profit per country

Excluding the PZU results (realised at holding level), Dutch operations generated €451 million in 2010 or 3% up on the previous year (2009: €440 million, excluding PZU). This increase is due to better insurance and investment results but was partly offset by provisioning for unit-linked policies and longevity and higher investments in strategic projects. The other European operating companies achieved better results (up €57 million on 2009) but are still loss making (-€66 million) due primarily to challenging economic conditions. In Turkey, Eureko Sigorta's net profit improved €6 million to €28 million thanks to solid underwriting results. Friends First in Ireland is recovering. Additions to loan loss provisions were significantly lower and hence the results improved from a loss of €106 million in 2009 to a loss of €26 million in 2010. The situation in Greece is extremely difficult, also due to austerity measures and more taxation imposed by government. This has led to a greater out-stream and lower sales. As a result, Interamerican Greece's net profit declined €34 million to a loss of €28 million. Our Russian business Oranta's results improved but it is still loss making; €21 million compared to a loss of €28 million in 2009.

PZU Initial Public Offering (IPO)

As part of the settlement reached with the Polish state on insurer PZU, there was an IPO of PZU in May 2010. In the IPO, Eureko offered 20% of outstanding PZU shares, as agreed in the settlement. The Polish Treasury sold 4.9% of its shares in PZU and Eureko received pre-determined fixed proceeds on these shares. In November, the remaining 13% holding in PZU was sold and in total the PZU settlement in 2010 resulted in an additional net profit of €834 million.

Longevity risk

At the end of 2009, the Dutch Statistics Office (in Dutch: CBS) published adjusted life expectancy based on 2007 and 2008 figures on mortality. These show a substantial improvement in life expectancy in the Netherlands. Based on the CBS figures, the Association of Insurers (in Dutch: Verbond van Verzekeraars/VvV) set new mortality tables at the end of 2010. Due to the substantial nature of the improvement in life expectancy, prognoses for future improvements were also adjusted positively. The increased life expectancy will mean longer pay outs and will therefore have a significant impact on insurers and pension funds. Eureko determines insurance liabilities (€20 billion at year-end 2010) based on VvV mortality tables. When determining insurance liabilities, most recent observations from 2007 and 2008 have been taken into account. To date, in determining insurance liabilities, prognoses on future improvements in life expectancy had not been taken into account due to uncertainties on the future development of life expectancy. Eureko has increased its insurance liabilities by an additional €45 million. At year-end 2010, Eureko's liability adequacy testing took into account both improved life expectancy and future improvements included in prognoses. In spite of these developments, Eureko's insurance liabilities are still more than adequate. Eureko's solvency has decreased by 5%-points as a consequence of this adjustment. This effect is compensated in part by an increase in interest rates especially in the final quarter of 2010.

Gross written premiums

Excluding the merger of our Pension funds in 2009 (€1.1 billion), gross written premiums increased by 7%. Including this merger, premiums grew slightly to €19.9 billion (2009: €19.6 billion). Health was able to increase gross written premiums (+16%) mainly as a result of higher government contributions. Non-life remained more or less stable (-1%). The slightly lower gross written premiums in Non-life were the result of lower premiums in Property & Casualty in the Netherlands; this was only partly off set by higher premiums in Europe. Premiums from Income

GROUP PERFORMANCE

protection were stable. If the merger between the two Achmea pension funds is excluded, then premiums in Life were down 8%. The non-recurring increase of €1.1 billion in 2009 tends to distort performance.

Expenses

Our gross operating expenses (excluding commissions, re-insurance commissions and cost allocations) declined €66 million or 2% to €2,829 million (2009: €2,895 million). The decline was limited to 2% as a result of a significant increase in investments in strategic projects from €90 million in 2009 to well over €200 million in 2010. An additional one-off vacancy provision (€20 million) and costs related to the PZU settlement (€12 million) are also included in gross operating expenses. If the vacancy provision and PZU settlement expenses are excluded, then since 2008 gross operating expenses have declined by €268 million (or 9%). We are well on track to achieve our announced target of €300 million cost reduction by the end of 2011 versus the 2008 baseline.
Total operating expenses increased 1% to €3,268 million (2009: €3,226 million). This increase is due mainly to higher commissions.

FTEs

We are also well on track in realising an FTE reduction in the Netherlands of 2,500 by the end of 2011 compared to year-end 2008. In the previous two-year period, we have realised a reduction of 1,708 FTEs. In 2010, the total number of FTEs (internal and external) decreased by 1,279 to 22,397 (2009: 23,676). In 2010, the number of external employees decreased 10% to 2,212. In Europe, the number of employees fell 12% to 4,591. Higher efficiency is one driver. Another is the divestment of activities such as the operating companies in Cyprus and the sale of medical clinics in Romania. In the Netherlands, the total number of (internal and external) FTEs fell by 639 or more than 3% to 17,806 in 2010.

Capital management

DEVELOPMENT OF TOTAL EQUITY

(€ MILLION)

	2010	2009
Total equity – start of year	10,127	7,451
Issue – share capital	-	1,028
Net income	1,220	1,381
Cash dividends and coupons hybrid capital	-1,171	-106
Revaluation reserves	-168	760
Foreign exchange results and hedge reserves	314	-166
Other	35	-221
Total equity – end of year	**10,357**	**10,127**

Eureko's capital base grew 2% in 2010, from €10,127 million to €10,357 million despite the pay out of €585 million in regular dividend in April 2010 and an interim dividend of €480 million in the autumn. The increase is due to gains from the PZU settlement, improved operational results and positive foreign-exchange results in the investment portfolio. The Group's solvency position is aligned to the capital base and further improved to 220% against 216% in 2009. As stated earlier the new mortality tables impacted the solvency negatively by 5%-points. The solvency of insurance entities decreased to 227% from 251%, mainly because in 2009 Eureko included PZU's required and available capital. Following the IPO, this is no longer the case. Eureko's external borrowings, excluding banking and finance operations, improved slightly to € 825 million (2009: € 867 million). Debt leverage (debt including perpetuals divided by total equity plus debt minus goodwill) improved from 22.8% at year-end 2009 to 22.0% at 31 December 2010.

EXECUTIVE BOARD REPORT

GROUP PERFORMANCE

Other activities

RESULTS (€ MILLION)

	2010	2009	Δ %
PZU, including IPO	982	1,516	-35%
F&C Asset Management	9	16	-44%
Other Income	136	40	340%
Total income	**1,127**	**1,572**	**-28%**
Operating expenses	614	352	74%
Interest and similar expenses	91	121	-24%
Other expenses	15	38	-61%
Total expenses	**720**	**511**	**41%**
Profit before tax	**407**	**1,061**	**-62%**

Shared service centres, the Holding staff entities and strategic shareholdings make up 'Other activities'.

In 2010, Profit before tax amounted to €407 million compared €1,061 million in 2009. The results in Other activities were significantly impacted by the PZU divestment/settlement. Impact on Profit before tax amounted to €835 million (2009: €1,238 million). Corrected for this one-off, Other activities realised a loss of €428 million compared to a loss of €177 million in 2009. The main reason for the decline were the costs of Group-wide investment programmes and lower regular results from PZU. In 2010, major investment programmes of over €200 million were under way that impacted total expenses. These include value management programmes, including Solvency II, IT and the creation of domains for the Group's main business lines to improve efficiency. Also included in expenses is a vacancy provision of €20 million and €12 million for the charitable Eureko Achmea Foundation. In total, expenses were €720 million (2009: €511 million).

Other income rose significantly due mainly to non-recurring positive results on foreign exchange relating to Eureko Sigorta Turkey and realised gains on sales of Interlife Cyprus and Medicom, Romania.

PZU settlement

The IPO of PZU took place in May 2010 in line with the settlement reached in 2009. Until the IPO, Eureko held a 33% stake in PZU, which was considered an Associated company. As a consequence of the IPO, Eureko's stake in PZU declined to 13%. In November, the remaining shares in PZU were sold via a book-build offering to institutional investors. In total, the divestment added €835 million to the Group's profit before tax. PZU's regular contribution to our profits for the period up to the IPO amounted to €94 million, this is €170 million lower than 2009 (€264 million). The impact from the exit from PZU in our regular results is apparent and will also become evident in 2011.

F&C Asset Management

As a consequence of F&C Asset Management's increasing share price, Eureko recorded a reversal of impairment loss of €9 million on its interest in 2010.

Garanti Emeklilik

In Turkey, Eureko currently has a 15% stake in Garanti Emeklilik, partner Garanti Bank's Life and Pension business. We have the option to acquire a further 35% of this business. The option can be exercised from mid-June 2010 through mid-June 2012. Garanti Bank has a put option on 20% of the shares in Eureko Sigorta Turkey that can be exercised from July 2010. To date, neither option has been exercised.

BUSINESS LINE | NON-LIFE

FOR EUREKO, NON-LIFE IS BOTH A CORE BUSINESS AND A CORE COMPETENCE. WE OFFER A FULL RANGE OF PROPERTY & CASUALTY AND INCOME PROTECTION PRODUCTS. TOGETHER, THESE ACCOUNT FOR 20% (2009: 21%) OF TOTAL GROSS WRITTEN PREMIUMS. WE ARE ACTIVE IN SIX EUROPEAN MARKETS: THE NETHERLANDS, TURKEY, GREECE, RUSSIA, SLOVAKIA AND BULGARIA. EUREKO IS MARKET LEADER IN THE NETHERLANDS WITH A MARKET SHARE OF 20% IN PROPERTY & CASUALTY AND 19% IN INCOME PROTECTION.

PROFIT BEFORE TAX

€401 MILLION

SOLVENCY

281%

GROSS WRITTEN PREMIUMS

€3,992 MILLION

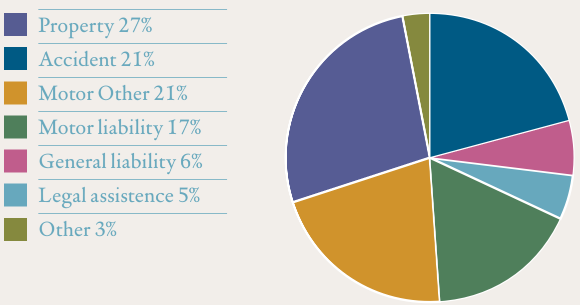
COMBINED RATIO

95.7%

GOALS 2011 AND BEYOND

- Maintain high market share
- Reduce expense ratio

GROSS WRITTEN PREMIUMS



EXECUTIVE BOARD REPORT

BUSINESS LINE | NON-LIFE

RESULTS

(€ MILLION)

	2010	2009	Δ %
Gross written premiums	3,992	4,030	-1%
Investments	302	169	79%
Other income	-69	-90	23%
Total income	**4,225**	**4,109**	**3%**
Claims and movements in insurance liabilities	2,591	2,573	1%
Operating expenses	1,158	1,210	-4%
Other expenses	75	67	12%
Total expenses	**3,824**	**3,850**	**-1%**
Profit before tax*	**401**	**259**	**55%**

* 2009 figures adjusted for comparison reasons

Non-life business is a core activity for Eureko. Premiums and margins are under pressure. However, we can look back on a good year thanks to the measures we have taken, such as focus on customers, innovation and cost control as well as improved investment results. Gross written premiums were down 1% from €4,030 million to €3,992 million, due to a decrease in Property & Casualty in the Netherlands. Premiums outside the Netherlands represent around 20% of total Non-life premiums. These rose 3%. Income Protection premiums were stable. Profit before tax was up 55% to €401 million (2009: €259 million) as a result of better investment results (€133 million) and lower operating expenses (€52 million). The claims ratio was up slightly from 67.8% to 68.1%. This is due to a relatively strong increase in the Income Protection claims ratio; the claims ratio on Property & Casualty improved. Total operating expenses expressed as a percentage of net earned premiums (net expense ratio) improved from 28.1% in 2009 to 27.6%. The expectation is that the expense ratio will further improve in the coming years as the operational measures and efficiencies, including a reduction of the number of legacy IT systems, translate into performance. The combined ratio improved from 95.9% in 2009 to 95.7% in 2010. Solvency improved 35%-points to 281% mainly due to better results.

In February 2010, Eureko announced the sale of its Cyprus activities through a management buyout. In January 2011, we also sold our Belgian business.

From 2010, Occupational Health Services form part of Non-life and figures have been adjusted for comparison purposes.

THE NETHERLANDS

Results

Non-life makes a significant contribution to Group total gross written premiums. Gross written premiums in the Netherlands decreased 2% to €3,260 million (2009: €3,318 million), mainly as a result of a shrinking motor and agricultural portfolio for business customers and a drop in individual motor and recreation. This is partly offset by higher sales of single-premium contracts in Income Protection. Profit before tax improved to €394 million (2009: €240 million) mainly due to better investment results and lower costs.

Market developments in Property & Casualty

The Dutch non-life market can be seen as the arena where the 'new insurance' is clearly taking shape. Price-fighting, internet-only providers moved strongly into Property & Casualty products, primarily car insurance, driving down premiums to create intense competition for established insurers. This has long been a saturated, mature market with very little growth potential. The forecast of approximately 1% growth per year is generated primarily through indexing and inflation. Growth has to come from chipping away at other players' market share or through innovation. Besides market-leading Eureko, five other key players, all of them majors, have a combined 40% of the total market.

BUSINESS LINE | NON-LIFE

SWOT ANALYSIS FOR NON-LIFE

Strengths	Weaknesses
• Market leader • Trusted brands in direct writing and bank distribution • Unique position and large market share in employer distribution • Preferred distribution partner Rabobank • Size is competitive advantage, also on procurement • Introduction of state of the art Straight Through Processing IT system (late 2010) • Excellent claims handling & management • High customer satisfaction	• Complex organisation and scale mean relatively slow reactions • Current IT systems add to complexity
Opportunities	**Threats**
• New distribution channels • Shift to trusted brands as a result of bankruptcy of non-life insurers • Solvency II	• Increase in switch behaviour • Price increasingly decisive factor • Weak underlying property market

Generally in the industry, claims were under pressure in 2010 due to severe weather in winter and summer, and flooding in autumn. If the higher capital requirements imposed by Solvency II are also taken into the mix, we could see a shake-out.

As customers become more savvy and discerning, they are making their own choices (pull takes over from push). They are taking control. They want direct influence on their insurance, including doing it themselves and seeing immediate results. The internet provides instant information and comparisons on service and price; customers today want more service for the lowest premium. Brand loyalty is declining and switching providers is more frequent. The emergence of vocal, active consumer organisations means even more customer leverage. One result is a clear shift from broker to direct (internet-based) distribution. However, in a saturated market, volume and delivery are crucial to continuity. We are already seeing pressure on some of the new internet-only providers. It appears that the first new entrants are reaching the limits of their model. The broker channel is under further customer-driven pressure to improve transparency on commission. A structure that gives customers full access to how commission is calculated has now been put in place. To further enhance transparency, the Association of Insurers has self-regulated a stop to the practice of automatic policy renewal. Achmea was one of the driving forces behind this move. From March 2010, all customers are informed in good time of the approaching end to their cover. Customers can then choose whether to renew their policy or not.

Property & Casualty - what is Achmea doing?

Achmea is market leader in Property and Casualty (stable market share at an estimated 20% in 2010) in the Netherlands. Our key target groups are individual customers and small- and medium-sized enterprises (SMEs). Our market leadership comes from our mix of top brands (Interpolis, Centraal Beheer Achmea, FBTO and Avéro Achmea) and multi-channel distribution (bank, direct and broker), with number one positions in both bank and direct distribution. Our bank distributor Interpolis' core proposition is prevention and communication with the customer. Obviously, our business is to sell insurance. However, given our cooperative identity, we are equally convinced that customers should

BUSINESS LINE | NON-LIFE

only be insured for what is important to them and know they are well insured. They should have no overlap within their different insurances. This meshes with growing customer demand for transparency and cost efficiency.

Customer intimacy

Direct distributors, Centraal Beheer Achmea (CBA) and FBTO, are both strong Achmea labels, achieving high customer satisfaction rates, specifically in the individual market. The new direct InShared concept, that at year-end matches actual claims with the claims reserve and repays the difference to customers, is increasingly growing its position in this market. This range of direct brands reflects developments in the market. However, we believe that in addition to a strong internet-based offering, we also have to simultaneously pursue customer intimacy. Following a thorough review of broker distribution, we are in the process of redesigning how we can give brokers, and therefore their customers, the best possible service. Our core proposition of service and partnership can be achieved by focusing on the top 500 larger brokers that offer their SME customers a full range of advisory, underwriting and tailored products. Avéro Achmea supports these facilities with capacity and expertise. In line with our revised strategy and core proposition, we will offer products to brokers that can then be tailored to customers' needs.

Customer satisfaction

How well Achmea brands respond to retail customer needs and the level of satisfaction we are able to achieve can be determined from a survey carried out by the Dutch Association of Insurers. In this survey the Achmea brands scored above the sector average of 7.7 out of a possible 10. Power brands CBA, Interpolis and FBTO all achieved a higher than average score of 7.9. However, the average was pulled down by broker brand Avéro Achmea's 7.5. This score is interesting in light of general perceptions on the broker channel. Customers are clearly less satisfied than those of, for example, direct distributors such as FBTO. Improving Avéro Achmea customer satisfaction is priority in 2011 and beyond. While the majority of scores for most of Achmea's brands are well above the industry average, one customer group is clearly very satisfied with Achmea. The average for customers with a recent claim was 7.8 while our power brands FBTO and CBA both achieved 8.1. Interpolis reached 8 and Avéro Achmea 7.6. This is a gratifying result as claims handling is seen by Achmea as an area of excellence.

Integrated market leadership

Achmea's brands are able to maintain their leading position in part because they have high recognition and offer customers tailored distribution options. However, the aim is to move from what is best described as 'joint' to 'integrated' market leadership. To this end, our Non-life strategy is to create a state-of-the-art integrated operation. This is the so-called Non-life domain. It develops and generates standardised product modules that can be moulded into customer propositions. These are then marketed through our strong brands and dedicated distribution channels.

Reducing complexity

Complexity reduction is another area of focus as it, and the ongoing reduction in IT systems, are seen as particular weaknesses in our Non-life operations. Both are being tackled structurally. Reducing complexity, therefore, applies not only to the range of products on offer. It is also about the systems that administer them and reducing time to market. We started the process of reducing legacy IT systems. In combination, all these activities, and the Straight Through Processing (STP) IT system implemented in late 2010 that manages processing for all our brands, will enable us to meet increasing customer demand for clear propositions and transparent products. Moreover, by fully integrating key components in the business chain, such as claims handling, a component where Achmea already excels, we believe we can improve even further.

New propositions

We have set an ambitious but achievable action plan for the phased and systematic launch of new propositions and products for all brands and channels over the next three years. The first of these propositions, motor vehicle insur-

BUSINESS LINE | NON-LIFE

ance through CBA, was launched in the fourth quarter of 2010. Moreover, we have also introduced white labeling activities, specifically in claims handling where we have a long-standing reputation for excellence and reliability.

Property & Casualty – results

In a fiercely competitive marketplace, gross written premiums in the Netherlands decreased 2% to €2,572 million (2009: €2,632 million) primarily because of a decline in the business motor and agriculture portfolio and lower motor and recreation premiums for individual customers. The combined ratio in 2010 was an exceptional 90.9%, a significant improvement on the previous year (2009: 93.4%). The claims ratio improved to 65.3% (2009: 67.1%) as a result of lower net claims (in motor and legal assistance), due primarily to refocusing of the corporate portfolio and the release of old injury claims provisions. The expense ratio improved to 25.6% from 26.3% in 2009 through lower FTEs and project costs. Our goals in 2010 included the reduction of expense ratios primarily through complexity reductions in IT systems. This goal has been achieved and we will continue to work on further reductions. Profit before tax increased significantly to €409 million (2009: €191 million) due to lower claims, reduced operational expenses and higher investment income.

INCOME PROTECTION

Market developments

The market for income protection products, often known as Occupational Health, comprises three product lines in the Netherlands: disability (in Dutch: AOV) for the self-employed; employee absence (in Dutch: Verzuim), primarily for small- and medium-sized businesses (SMEs); and the combination of the risk of partial inability to work (in Dutch: WGA) and full disability (in Dutch: IVA) for larger corporates.

The adverse economic environment has led to a reduction of market premium income through higher numbers of bankruptcies, stagnating growth in SMEs, higher jobless figures in certain segments of the labour market and a lower insurance take-up due to cost-reduction measures. Another factor is the diminished trust in insurers; customers want more transparency, more web-based information and communication and better pricing. Brokers are also demanding more web-based administration and knowledge-based support. Moreover, lower investment income and fierce (price) competition in most segments leads to lower profitability. However, we still expect this segment to generate around 2% to 3% premium growth in the next three years.

SWOT ANALYSIS FOR INCOME PROTECTION

Strengths	Weaknesses
• Overall number 2 in the market • Dominant in bank distribution • Extensive knowledge base of complex products • Well positioned to anticipate and influence policy developments • Strong labels, multi-distribution and channelling • Integrated chains • Integrated offering of health/income protection	• Relatively low market share in broker channel
Opportunities	**Threats**
• Increased demand for combined services/products • Demand for more transparency • Further privatisation of social security	• Market declining in size/profitability through adverse economic climate and fierce competition • Little confidence in sector and more critical customers

EXECUTIVE BOARD REPORT

BUSINESS LINE | NON-LIFE

There is upside potential if privatisation of certain social security insurances, such as unemployment benefits, takes place although timing is uncertain and it could be years before this occurs.Raising the state-pensionable age from 65 to 66, expected in 2020, could also have a positive effect as all insured extend their disability insurance to cover the additional year.

A SWOT analysis of market developments in income protection indicates there are enough opportunities that could play to Achmea's strengths. Specifically, Achmea's ability to anticipate and leverage social security privatisation opportunities as demonstrated by our leading position in the already privatised full disability market (WIA). Achmea is also anticipating the privatisation developments by lobbying – as a leading player in the market - advisory organisations, politicians and the media.

Income protection - what is Achmea doing?

Achmea is focusing on profitable premium growth through more effective marketing and operational cost reduction. In 2010, estimated market share increased marginally to slightly over 19%.We are focusing specifically on increasing customer satisfaction, especially in the broker channel, and on enhancing pricing capabilities to improve risk-based pricing. We see opportunities in the differentiation, customisation and modularisation of absence insurances. By standardising our operational processes, we can reduce complexity and therefore cost, while at the same time achieving major economies of scale. We are already seeing the effects of investment over recent years in new systems and simplified processes. Furthermore, we are leveraging the SENS programme that has already been implemented successfully in our Health business. It will help us further reduce cost in operations. Occupational Health Services is the activity that monitors absenteeism and helps people get back to work as quickly as possible. It is underperforming because the market has changed significantly in recent years. We are tackling this by adjusting the way these services are currently organised.

Income protection - results

In 2010, gross written premiums in our income protection business increased marginally to €688 million (2009: €686 million). Single-premium WIA contracts rose significantly but growth was partly offset by lower premiums on absence and AOV. The claims ratio increased 9.2%-points to 84.7% from 75.5% in 2009 mainly because new insights led us to take additional provisions on WIA. Corrected for this additional provision, the claims ratio was up slightly to 75.9%. The expense ratio improved to 24.7% from 25.3% in 2009 mainly through lower IT and project costs. Profit before tax was down significantly to €1 million (2009: €72 million) due to higher provisions for WIA (impact: -€63 million) and lower investment income.

In addition to Income protection insurance, Achmea also offers Occupational Health Services to its customers under the 'Achmea Vitale' brand. This service activity is not core to our strategy as an insurer. Integrating our SME absence insurance with Occupational Health Services should help us to reduce our claims ratio. In 2010, results on these services was -€16 million (2009: -€23 million) due to lower operational costs achieved by steering on costs and FTE efficiencies. However, the income generated from these services is not enough to make it a profitable business.

OUR EUROPEAN MARKETS

In 2010, our European operations generated Gross Written premiums of €732 million, 3% higher than in the previous year (2009: €712 million). The growth is due primarily to increased premiums at Eureko Sigorta Turkey, Interamerican Greece and Union, Slovakia. Growth in our European markets was offset by a fall in premiums in Russia. In 2010, the activities in Cyprus were sold and we announced the sale of our Belgian activities. The transaction was closed in January 2011.

One of the Non-life business line's stated goals for 2010 was to roll-out core competences to our key European

BUSINESS LINE | NON-LIFE

markets – Greece, Russia and Turkey. This is fully in line with strategy of supporting European operating companies to grow core competences to create value.

Turkey

With an estimated market share of more than 5%, Eureko Sigorta aims to grow that share to 8% by 2012. Currently, Eureko Sigorta's primary distribution channel is via former parent Garanti Bank of Turkey. We have a long-term distribution agreement with this major bank. We are investing in transforming our bancassurance operations with partner Garanti Bank, including putting in place a news sales organisation. In the coming years, we will be further expanding our agency and broker channels alongside bank distribution. This should enable us to grow our market share in parallel. Gross written premiums were up to €289 million (2009: €250 million).

Greece

Interamerican continues to hold the number two position in the Greek Non-life market. In spite of the economic environment, the Greek market for Non-life products is forecast to grow 4% in 2011 and Interamerican is outperforming the market. Currently, distribution is primarily through the traditional agency channel. Interamerican also aims to further build direct distribution; currently we are the only insurer to offer products through the direct channel. We see the internet supported by telephony and call centres as the way forward. A project to improve claims handling is also in progress. Gross written premiums were up by €5 million to €216 million (2009: €211 million) as a result of premium indexation and new customers.

Russia

Our Russian operating company, Oranta, is currently 24th out of 600 players in a market where the top 30 already occupy 80% of the market, our aim is a position in the top 15. In 2010, gross written premiums in Non-life segments (specifically motor and Personal accident including travel, property and cargo) were down €19 million to €59 million (2009: €78 million) in a market characterised by slow development and aggressive pricing. Around half of this decrease can be attributed to the transfer of health activities to the Health segment. The business is currently building a strong operational platform while controlling the expense ratio – placing the business in a sound position to meet our expectations for growth and long term profitability.

Slovakia

Union is still achieving growth in an economically challenging market. Overall, Union is the number five player and is outperforming the market. This is due in part to expansion of its range of distribution channels. Initially, we were strongly reliant on the agency network. Now, although still in its infancy, the direct channel is growing in importance. Union continues to be the top insurer in the travel segment and has now begun marketing these products to the neighbouring Czech Republic. In 2010, gross written premiums were up significantly to €28 million (2009: €22 million), primarily as a result of growth in travel, the recently introduced motor insurance and growing direct distribution.

BUSINESS LINE | HEALTH

HEALTH IS ONE OF OUR CORE BUSINESSES AND A CORE COMPETENCE, GENERATING A SIGNIFICANT SHARE (62%) OF TOTAL EUREKO GROSS WRITTEN PREMIUMS. WITH A 29% MARKET SHARE AND 4.8 MILLION INSURED, EUREKO IS MARKET LEADER IN HEALTH INSURANCE IN THE NETHERLANDS. IN 2011, WE PLAN TO MERGE WITH HEALTH INSURER DE FRIESLAND ZORGVERZEKERAAR REACHING EVEN MORE CUSTOMERS IN THE NORTH OF THE NETHERLANDS. IN THE DUTCH MARKET, WE OFFER BASIC AND SUPPLEMENTARY HEALTH INSURANCE. ELSEWHERE IN EUROPE, EUREKO OFFERS BASIC AND SUPPLEMENTARY HEALTH INSURANCE IN GREECE, ROMANIA, RUSSIA, SLOVAKIA AND TURKEY.

PROFIT BEFORE TAX

€262 MILLION

SOLVENCY

192%

GROSS WRITTEN PREMIUMS

€12.3 BILLION

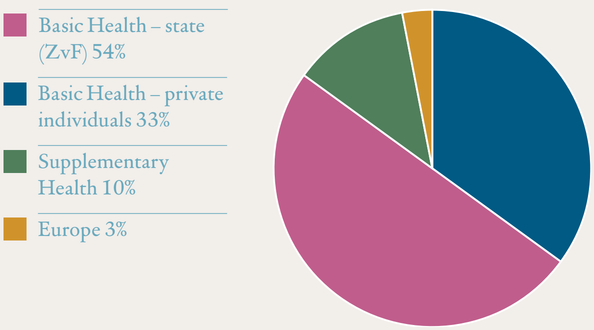
COMBINED RATIO BASIC HEALTH

99.8%

GOALS 2011 AND BEYOND

- Improve customer and partner trust
- Stable or further improvement of expense ratio
- Further develop and improve health procurement capacity
- Start our new health organisation (integrate Health Division and Agis)

GROSS WRITTEN PREMIUMS



BUSINESS LINE | HEALTH

RESULTS

	2010	2009	Δ %
Gross written premiums	12,289	10,617	16%
Investments	84	167	-50%
Fee and commission income	52	51	2%
Other income	-152	-30	n.m.
Total income	**12,273**	**10,805**	**14%**
Claims and movements in insurance liabilities	11,293	9,746	16%
Operating expenses	591	586	1%
Other expenses	127	131	-3%
Total expenses	**12,011**	**10,463**	**15%**
Profit before tax*	**262**	**342**	**-23%**

* 2009 figures adjusted for comparison reasons.

For Eureko, health insurance is a stable source of income. Although margins are very low, it is a volume growth area where expertise and knowledge can add significant value. For example, in the Netherlands effective procurement can have real impact on the claims ratio. This expertise can also be shared with our operating companies around Europe. In 2010, total gross written premiums in the Health business increased 16% from €10,617 million in 2009 to €12,289 million. Growth is due mainly to an increased government contribution of €1,241 million through higher claim forecasts on basic health insurance. Gross written premiums received from private individuals increased by 8% to €5,647 million (2009: €5,217 million), due mainly to increased prices and growth in the number of customers. This was partly offset by higher discounting on group premiums and a higher percentage of group policies. Europe's gross written premiums grew 16% to €347 million (2009: €298 million) primarily as a result of the launch of Health insurance by Eureko Sigorta in 2008 and through the reallocation of Oranta's health business to this business line. In 2009, it was still part of Non-life.

Profit before tax decreased to €262 million (2009: €342 million), due to adjustments in previous years' claims and lower operating costs. In 2009, results had been positively impacted by releases from previous years (€189 million). When corrected for this amount, profit before tax increased by €109 million, due mainly to a release of provisions in Supplementary Health insurance (€60 million) and lower costs in the Netherlands. Other income decreased from a loss of €30 million in 2009 to a loss of €152 million in the reporting year. The decrease is mainly related to High-cost compensation (in Dutch: HKC). This is a special component in the health system that compensates an insurer if very high costs are incurred for a particular customer. These negative compensations are accounted for under Other income and had a positive effect on Claims. Operating expenses increased marginally by 1% to €591 million (2009: €586 million) due to increased costs in Europe; in the Netherlands, costs continued to decrease. Solvency of our Health activities amounted to 192%. Compared to 2009 this is a decrease of 9%-points due to increased solvency requirements from 8% to 9% of gross written premiums for basic health insurance.

In 2010, Occupational Health Services was reallocated to Non-life. Comparative figures have been adjusted.

THE NETHERLANDS

Market developments

The reporting year, 2010, marks the first full five years of a new health insurance structure introduced by the Dutch government at the start of 2006. The underlying concept is an inclusive healthcare system based on the solidarity principle that is demand driven and offers high(er) quality care; essentially, it is to become a system that operates through market forces. Everyone, no matter

BUSINESS LINE | HEALTH

SWOT ANALYSIS FOR HEALTH

Strengths	Weaknesses
• Quality of service • Scale • Multi-distribution channels • Health care innovation	• IT complexity • Employees deployed in creation new Health organisation
Opportunities	**Threats**
• Transparency of output, costs and especially quality • Shift to quality-driven and regulated competition • More demand driven, differentiated and selective procurement • Integrated propositions health and occupational health • Possible system change in AWBZ	• Not enough transparency in quality of care • Price competition • Better quality without cost containment caused by lack of measures concerning the infrastructure and capacity of health care • Loss of solidarity • Higher financial risks and solvency requirements • Political decisions on health insurance

age or medical status, is insured for basic care through a mandatory flat-rate premium and own risk. People in work or receiving benefits pay a fixed amount in personal premium to their insurer and have a variable own risk component. In addition to these premiums, a so-called risk equalisation fund has been put in place. Insurers cannot reject customers. The solidarity component here means insurers cannot be selective in their risk profile. A government agency manages the risk equalisation fund created through employer contributions for their workforce and government contributions for the under 18s. This fund is subsequently used to compensate insurers for higher-risk customers in their pool. Customers can also choose to pay for supplementary insurances to broaden or tailor their cover. 86% of our health customers choose supplementary cover. Furthermore, a social insurance is levied on all people in work to pay for exceptional health costs, such as long-term care. This is the General Act on Exceptional Health Costs (in Dutch: AWBZ). This Act is administered regionally by the largest insurer in the area. A possible change in the system in the future could mean customers would claim these costs through their own insurer. This creates opportunities for us as we would then be managing all the customer's health insurances. Health costs are currently around 9% of total Dutch Gross Domestic Product.

Although in the past five years, the system has evolved in line with expectations, uncertainties and threats do remain, not least through the loss of solidarity, the risk of higher premiums through an inadequate equalisation system, higher financial risks and the imminent implementation of Solvency II. For example, the recently formed coalition government has a number of planned policies that could prove toxic to the solidarity principle on which the Dutch healthcare system is based. There is quite some uncertainty on a number of possible developments, such as the abolition of lump-sum funding to hospitals in favour of payment per actual treatment or the phasing out of cumulative charges. This latter could have serious implications for insurers' risk position. Then there is the discussion on how the risk equalisation fund will be managed into the future. At present, calculations take place both ex-post and ex-ante. There are suggestions that the ex-post system should be abolished altogether and replaced by the existing ex-ante process. We are in favour of this shift but only if the ex-ante process is improved considerably. Currently, insurers can wait years for reimbursement, a situation that can affect their capital position. In 2010, the Dutch Central Bank (DNB) increased minimum solvency requirements from 8% to 9% of gross written premiums for basic health insurance. Further increases in solvency

BUSINESS LINE | HEALTH

requirements, also under Solvency II, could take place due to ongoing government withdrawal. The discussion on the equalisation fund could mean greater risk is shifted to the insurer requiring increases in premiums but it could also mean their forecasting on cost has to become more efficient thus mitigating that risk.

Looking ahead

The expectation is that the cost of care will certainly increase in the near future due to ageing populations. This will result in an annual increase in premiums of at least 3% over the next three years and ensuing price sensitivity. We are convinced that prevention and the quality and efficiency of procurement are key to limiting the cost of care. There is already a clear shift towards transparency in all aspects of healthcare delivery, and an equally clear shift to improved quality of care. Achmea is fully focused on both shifts.

What is Achmea doing?

In the five years since the introduction of the new Health system, Achmea has been able to transform this business from a loss making to a profitable activity. We have also achieved a 29% market share. This has been done through:

- our strong mix of distribution channels;
- reinforced market-leadership through selective mergers, such as Agis and OZF, and the intended merger with health-insurer De Friesland Zorgverzekeraar;
- retention of our market leadership, also through visible and consistent improvements in quality, innovation and market intelligence;
- clear focus on cost management;
- strong healthcare procurement that leverages our undisputed size and scale advantages.

Our close to five million customers are individuals and part of groups. As Eureko, we have the stated aim of becoming the most trusted insurer. Through our cooperative background and identity, we believe that our duty of care also means we must be the most trusted health and healthcare manager. What we are seeing in this fifth year of the new health system is that a 'triangle of care' has evolved – customers, providers and insurers. Our role as insurer has changed. We are now increasingly responsible for purchasing healthcare for our customers. As the largest health insurer in the Netherlands, this gives us an added duty of care. Furthermore, it gives us leverage to drive up the quality of the care on offer to our customers. For this new environment, we have developed a similarly innovative response. We are putting in place a wholly new health organisation that combines the strengths of all Achmea health brands, including Agis. Initially, Agis' integration was slated for 2012. However, we have accelerated the creation of a single organisation so that we can create even more volume and leverage. The SENS programme that was introduced in our Health business line in 2006 forms the foundations for this new organisation. IT complexity is still perceived as a weakness in our organisation. However, we are focused on reducing that complexity. With our now fully SENSed administrative and operational processes, we are increasingly able to further grow our customer service and intimacy. The systems of Agis and Achmea Health will be integrated in the coming years. This will lead to further cost reductions.

By pooling our expertise and streamlining our own processes, we aim to positively influence both the quality and the cost of healthcare. Our size gives us real leverage here as we can further deepen our specialisations. As our market share is concentrated, this means we can buy in care more effectively; we are already more efficient than peers in procuring both hospital services and pharmaceuticals. By concentrating expertise, we ensure customers receive the best quality treatment for the best price. One of the challenges for insurers is how to stimulate and guarantee that quality. This became a very public issue in the Netherlands during the reporting year when a large insurer rejected as inadequate a group of hospitals for the treatment of breast cancer. We are pursuing a different means of continually improving quality. Rather than looking at a specific facility, we prefer to stimulate the providers and

EXECUTIVE BOARD REPORT

BUSINESS LINE | HEALTH

their professional bodies to self-regulate and set their own quality standards. Once they have done so, we will measure performance against those standards and take action if necessary. In early 2011, the college of surgeons announced it had set a code of standards.

Customer satisfaction

We aim to deliver a rounded Health offering through our top health brands Zilveren Kruis Achmea, Agis and Groene Land that merged with Zilveren Kruis Achmea per 1 January 2011. It is up to our customers to determine how successful we are in that objective. We survey our customers regularly and welcome results from independent studies. One recent survey carried out among retail customers by the Dutch Association of Insurers showed that Achmea brands tend to perform in line with the sector average (7.6). While this certainly applies for our major power brands, our smaller labels outperform the average significantly. We also score highly on managing claims. Another survey on the quality of customer service among 15 health insurers was published by the Dutch Consumer Association in December 2010. According to this survey, there are significant differences between insurers. Four of Achmea's brands and De Friesland Zorgverzekeraar, the health insurer that plans to merge with us, headed the rankings. While a more than sound result, the Consumer Association noted areas where improvement is needed. For example, difficult queries from customers are not always answered correctly. Our Health division sees this as a focus point for next year.

Results in the Netherlands

For Eureko, Health is both a core business and a core competence. We are market leader in the Netherlands; one of our ongoing goals is to retain that position. We offer basic and supplementary Health insurance through a number of top brands using all distribution channels (direct, bank and broker). The health insurance market is relatively stable but also saturated. There is a high entry threshold and only four insurers have more than one million customers (we have close to five million). With our customers, we generated gross written premiums for basic and supplementary Health insurance of €11,942 million or 16% up on the previous year (2009: €10,319 million) due to higher government contributions and higher prices.

Profit before tax from basic Health decreased to €24 million (2009: €203 million), mainly as a result of previous years' settlements by the Dutch Health Insurers Body (in Dutch: Zorgverzekeringsfonds) (2009: €189 million). Corrected for this one-off, profit before tax improved €10 million. The expense ratio improved from 3.3% to 3.0% due to cost savings also as a result of the SENS programme. The claims ratio deteriorated from 95.7% to 96.8%, however, if corrected for the one-off in 2009, then the claims ratio improved 1%-point. The combined ratio was 99.8% (2009: 99.0%).

Profit before tax from supplementary Health insurance improved €96 million to €236 million (2009: €140 million), primarily due to the release of €60 million in provisions and a lower claims burden. The supplementary Health expense ratio decreased from 11.6% in 2009 to 10.6% in 2010 as a result of lower costs. The claims ratio improved to 71.0% (2009: 77.3%), due mainly to the release of previous years' provisions and lower claims in 2010. As a result, the combined ratio improved to 81.6% (2009: 88.9%).

OUR EUROPEAN MARKETS

Eureko is also active in various European health insurance markets. It currently has operations in Slovakia, Greece, Turkey, Russia and Romania. Of these, Slovakia and Greece still generate the majority of total gross written premiums. In all these countries, health insurance closely interacts with existing local social health systems; we tailor our offering to fit with or supplement them. Despite these local differences, Eureko´s strategy continues to be based on the fundamental principle of facilitating and enabling access to affordable quality healthcare. We offer both basic and supplementary health insurance in Slovakia as well as

BUSINESS LINE | HEALTH

private alternatives to state-provided care in Greece, Turkey, Russia and Romania. In 2010, our Health business in Europe generated €347 million in gross written premiums (2009: €298 million). A small part of this increase (€9 million) is due to the transfer of Russian health activities from Non-life.

Slovakia

In Slovakia, Eureko offers both basic and supplementary health insurance under its Union brand label and currently ranks third in basic health insurance. Eureko entered the Slovakian health insurance market in the first quarter of 2006; however, from the final quarter of 2006 several amendments were made to the liberalisation implemented by a previous Government in 2004. These amendments have imposed measures that effectively discriminate against private health insurance companies and effectively prevent Eureko from recovering its investment in Union Health Insurance. The current Government, elected in 2010, indicated in its Government Program the intention to revisit and amend the health insurance laws, but the actual implementation of such amendments remains to be seen. In the meantime we will continue seeking protection for our investment and Union's business by challenging the amendments under European law and the Bilateral Investment Treaty that exists between Slovakia and the Netherlands.

In 2010, Union's gross written premiums increased by 9% to €197 million (2009: €181 million); it was the only Slovak insurer able to attract more new customers in 2010 than the number that switched provider. We were able to improve premium collection efficiency and claims cost containment, leading to improved loss and combined ratios.

Greece

Interamerican, Eureko's brand in Greece, continues to be among the top health insurance players in the market. The economic turmoil in the Greek market clearly had its effect on the private health insurance market, which acts as an alternative (i.e. not mandatory) to state provided care. This effect was particularly visible with the low levels of new business and the high level of lapses. Despite this, gross written premium grew slightly by €1 million to €115 million. In order to turnaround growth stalemate and accelerate growth in Health, we aim to focus more on strong distribution partners and direct writing. Furthermore, we will be introducing the managed care concept as part of our strategic plan to grow our leading position in this market.

Other Countries

In the other countries (Turkey, Russia, Romania) both gross written premiums and underwriting results improved further. Gross written premium increased 16% due primarily to an increase in premiums in Turkey and Russia. Eureko Sigorta in Turkey began selling health insurance in 2008.

BUSINESS LINE | LIFE

THE LIFE BUSINESS LINE INCLUDES INDIVIDUAL LIFE, PENSION INSURANCE AND PENSION SERVICES. A MAJOR ACTIVITY FOR EUREKO, LIFE REPRESENTS 18% (2009: 25%) OF GROSS WRITTEN PREMIUMS. EUREKO HAS LIFE AND PENSIONS BUSINESS IN THE NETHERLANDS, IRELAND, GREECE, SLOVAKIA, ROMANIA AND BULGARIA. WITH ESTIMATED MARKET SHARES OF 10% IN INDIVIDUAL LIFE AND 10% IN PENSION INSURANCE IN THE NETHERLANDS, ACHMEA IS A STRONG PLAYER IN THESE MARKETS. WE ARE ALSO MARKET LEADER IN REAL ESTATE ASSET MANAGEMENT ON BEHALF OF PENSION FUNDS.

PROFIT BEFORE TAX

€107 MILLION

SOLVENCY

223%

GROSS WRITTEN PREMIUMS

€3,571

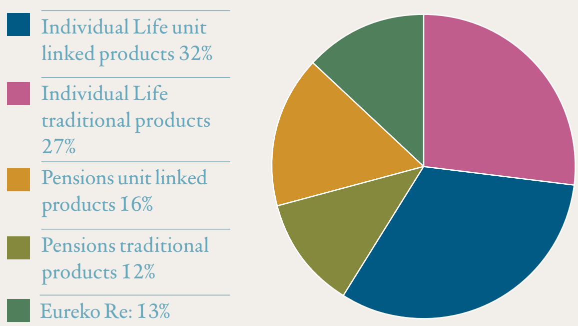
VNB MARGIN

1.4%

GOALS 2011 AND BEYOND

- Retain top-three and top-four positions in individual life and pension insurance in the Netherlands
- Improve our Value New Business (VNB) margin
- Increase trust in financial services products

GROSS WRITTEN PREMIUMS



EXECUTIVE BOARD REPORT

BUSINESS LINE | LIFE

RESULTS

(€ MILLION)

	2010	2009	Δ %
Gross written premiums	3,571	4,998	-29%
Fee and commission income	305	344	-11%
Investments	1,379	467	195%
Other income	1,681	1,709	-2%.
Total income	**6,936**	**7,518**	**-8%**
Claims and movements in insurance liabilities	5,869	6,542	-10%
Operating expenses	799	901	-11%
Other expenses	161	183	-12%
Total expenses	**6,829**	**7,626**	**-10%**
Profit before tax	**107**	**-108**	**n.m.**

Although profitability in the life and pension insurance business has recovered significantly, in our view it is still below par. In combination with less positive prospects, especially in individual life insurance, we are focusing strongly on resolving legacy systems, reducing the cost base and concentrating on specific products, such as term insurance and unit-linked.

Gross written premiums decreased 8% excluding the one-off merger of our two pension funds into Stichting Pensioenfonds Achmea (SPA) in 2009. Including the merger, premiums declined 29% to €3,571 million (2009: €4,998 million). The decline is mainly the result of lower single premiums. The decrease was a number of percentage points higher if a reclassification at Eureko Re was not taken into account. Annual premiums increased slightly.

Profit before tax improved by €215 million to €107 million (2009: -€108 million), mainly due to better investment results which were partly offset by unit-linked and longevity risk provisions. Eureko has allocated an additional €149 million to the provision for unit-linked policies.

Operating expenses contributed positively as these were down 11% to €799 million from €901 million in 2009. The decline is due primarily to lower expenses at Syntrus Achmea, sale of Interlife Cyprus and cost savings.

In February 2010, a management buyout was announced of our Cyprus activities and the sale of our business in France was negotiated during the reporting year; closing is expected during the first half of 2011.

New longevity tables published by the Actuaries Association and the Dutch Association of Insurers in the second half of 2010 have had a negative effect on results and solvency. Even though we have always taken a gradual increase in life expectancy into the structure of our insurance liabilities, we have increased our insurance liabilities by an additional €45 million. The impact of these new tables caused a 12%-point decline in solvency. Partly as a result of this development, improvements in solvency were no more than 3%-points, increasing to 223% (2009: 220%).

APE declined by 18% or €50 million to €230 million (2009: €280 million) if the merger of our pension funds is excluded. Lower sales via bank distribution and in Europe are the main causes of the decline. In bank distribution, Rabobank is now offering so-called 'bank savings' products. We are now seeing the effects of no longer offering our own savings and mortgage-linked life products. Total APE in the Netherlands declined (excluding the merger) by 22% to €122 million.

Value New Business (VNB) amounted to €25 million. Compared to 2009, this is an increase of €15 million including the merger of our pension funds. Excluding this merger, VNB decreased €11 million. Despite lower APE in bank distribution, this channel achieved an increase in VNB thanks to successful sales in term insurance. VNB mainly declined in Europe and in our Pension business. In Ireland (Friends First) and Greece (Interamerican) especially, the profitability in terms of VNB declined as a result of the current economic environment.

EXECUTIVE BOARD REPORT

BUSINESS LINE | LIFE

VALUE ADDED BY NEW BUSINESS 2010

(€ MILLION)

	NETHERLANDS	EUROPE	TOTAL
Value added by new business	24	1	25
Present value of new business premiums (PVNBP)	1,119	687	1,806
Value added by new business as a % of PVNBP	2.1%	0.2%	1.4%
New business APE (annual premiums + 10% of single premiums)	122	108	230
Value added by new business as a % of APE	19.7%	0.9%	10.8%

VALUE ADDED BY NEW BUSINESS 2009*

(€ MILLION)

	NETHERLANDS	EUROPE	TOTAL
Value added by new business	22	14	36
Present value of new business premiums (PVNBP)	1,429	838	2,267
Value added by new business as a % of PVNBP	1.5%	1.7%	1.6%
New business APE (annual premiums + 10% of single premiums)	157	123	280
Value added by new business as a % of APE	14.0%	11.4%	12.8%

* excluding the merger of our pensions funds

Interamerican was able to maintain its sales volume at the same level as 2009 but margins decreased. Sales for Friends First were only down 10%, declining less steeply than the market, as we pursued market share rather than profitability. The value of new business at Interlife Cyprus and Império France is not included in the 2010 results. VNB margin was in 2010 1.4%. (2009: 0.3% and excluding merger 1.6%). The VNB margin in the Netherlands, excluding the merger, improved but this was more than offset by a decline in Europe where margins deteriorated in all countries. In the Netherlands margin improved from 1.5% to 2.1% despite lower sales, reflecting focus on profitability rather than growth. Margins on term insurance especially improved.

EMBEDDED VALUE

The following information offers a high level overview of how Embedded Value developed in 2010. Eureko publishes a separate Embedded Value report which can also be reviewed on our website, www.eureko.com. Tables in this section compare results in 2010 with results in 2009 on a statutory basis except where otherwise stated.

EMBEDDED VALUE SUMMARY

(€ MILLION)

	2010	2009
Required Capital	1,766	1,815
EV Free surplus	2,269	1,921
Shareholder Net Worth	**4,035**	**3,736**
Value of In-Force Life Business before cost of required capital	1,628	1,864
Cost of required capital	-694	-690
Value of In-Force Life Business after cost of required capital	934	1,174
Embedded Value	**4,969**	**4,910**

Embedded value increased by 1% to €4,969 million. Shareholder Net Worth explains €299 million of this growth. Higher investment gains (€114 million) and projected surplus (€155 million) are the most material positive contributors. Additional provisions for compensation on costs of unit-linked contracts reduced Shareholder net worth with a net effect of €116 million. The decline in value of in-force business is partly explained by de-risking the investment portfolio and increased hedge positions (together -€130 million). Besides active portfolio management, future investment returns are assumed to be lower than last year due to economic forecasts (impact -€133 million). New longevity assumptions (increase in life expectancy) led to a decrease of value in-force of €164 million.

BUSINESS LINE | LIFE

EMBEDDED VALUE PROFIT LIFE BUSINESS

(€ MILLION)

	2010	2009
Embedded value at start of the year (before model changes)	4,910	4,123
Model changes	19	-146
Embedded value at start of the year (after model changes)	4,929	3,977
Operating profit after tax	-31	290
Economic profit after tax	37	24
Embedded value profit after tax	6	314
Dividends and capital movements	34	619
Embedded value at year-end	**4,969**	**4,910**

The embedded value profit of €6 million is the change in embedded value of the Life operation from start of year to end of year, adjusted for any dividends from, or capital transfers to, the Life operation, and for exceptional items.

Embedded value profit in 2010 is less volatile than for the years 2009 and 2008 due to stable economic market conditions and material operational impacts that, on balance, have a neutral impact.

Economic profit was positive at the end of 2010 (€37 million). Although the investment returns are lower than expected (-€57 million), benefits arise from a lower risk discount rate (€ 99 million) and adjusted expense inflation (€61 million).

The main contributors to operating profit of -€31 million are the expected return (€234 million), variances in persistency (-€71 million) and lower assumed administration expenses (€47 million). The net effect of new longevity assumptions (-€164 million) and compensation for the cost of unit-linked policies (-€84 million) are also accounted for in the operating profit.

Interlife (Cyprus) was sold in May 2010 and Império (France) is Held for Sale at 31 December 2010. Império is only included in the embedded value results for the net asset value of €39 million. Sale proceeds of Interlife are accounted for outside the Life Segment and are therefore not included in embedded value at 31 December 2010. Império and Interlife are included in the embedded value of € 4,910 million at the start of the year.

EMBEDDED VALUE EXPLAINED

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, a group representing a number of large European insurers, for the valuation of its Life Business. The Life Business is that which is reported as such to the local regulators in the territories in which Eureko operates, excluding on grounds of materiality, the value of Interamerican Bulgaria.

THE NETHERLANDS

Market developments

The mature and saturated Dutch Life market has been subject to significant changes for quite some time. However, the rapidity of change since the economic crisis is unparalleled and has accelerated in the reporting year. The economic crisis continues to impact life and pensions through low long-term interest rates. New sales in the mortgage market are stagnating so there is a related drop off in new insurance sales. So-called 'bank savings products', that are perceived as less complex, less costly and more transparent while offering the same fiscal benefits as insurance products, are growing in popularity. Changes in the broker commission system, initially prompted by cost-loading in the past, remains another hot item, especially for consumers. The complexity

BUSINESS LINE | LIFE

SWOT ANALYSIS FOR INDIVIDUAL LIFE AND PENSION INSURANCE

Strengths	Weaknesses
• Strong brands/multi-channel distribution • Innovative, low cost and simple term life product via bank distribution • Cooperative background distinguishes Achmea • Relatively high customer satisfaction • Broad pension insurance product and services package • Extensive client portfolio • Innovative defined-contribution product with benefits for both employers and employees	• Legacy IT systems • Relatively high cost base • Relatively low market share in broker distribution • Fast decline of new mortgages affects related life insurances negatively
Opportunities	**Threats**
• No saturated market in term insurance • Growing pension awareness among customers • Government/employers retreating from pension market • Shifting customer needs • Pension system adjustments • Increased demand for transparency in costs and risks	• Fierce price competition in pension/term life market • Low interest rates • Increased life expectancy • Lack of customer trust in industry • Frail economic recovery slows premium growth • Competition from 'bank savings' products

in rules and regulations is increasing all the time for insurers. Legislation on raising the (state) pensionable age will also impact our industry. The increased life expectancy which indicates people could be living up to five years longer than the previous forecast, puts further pressure on our pension business. Price is now also a more decisive factor.

Pension insurance

When the economic crisis first hit in 2008, the response of most companies – including many of our customers – was to take cost out of their operations through efficiency and austerity measures. Now, with pension-fund assets and cover into the future under pressure, employers, while still committed to providing employees with reasonable retirement plans, also want to spread the risk more equitably with employees. This development coincides with a systematic drop off in single-premium sales over recent years. Sales are primarily unit-linked and there is a growing demand for related defined contribution products, with a steady 3% shift per year away from defined benefit. There is still demand for guaranteed pension products although this has fallen off, also through lack of confidence in insurers and greater interest in defined-contribution plans. Because of the current low-interest rate environment, Achmea was cautious in offering these products.

Pension insurance - what is Achmea doing?

Pension insurance in the Netherlands has a three-pillar structure. The first pillar is the state pension and the third is individual pension plans. The second pillar comprises company-based pensions plans, including those that are industry wide. In Pension insurance, Achmea brands focus primarily on the second pillar of this structure. Pension insurance is a key activity. Our cooperative background is an advantage in this respect as we are, rightly, perceived as focused on more than profit alone. In this segment, our combined brands have an estimated 10% market share. This is a decrease of 3%-points compared to 2009 as a result of lower sales in large single-premiums as the focus in 2010 was on profitability rather than volume. Through the extensive customer portfolio, we are well positioned to offer broad-based employee packages, including pensions.

BUSINESS LINE | LIFE

In 2010, the market environment remained extremely uncertain. Our response has been prudent and realistic. We took a strategic decision to stop offering guaranteed products because 10-year interest rates were at an historical low of less than 3%; customers' expectations on guaranteed products is over 3%. Furthermore, the Solvency II capital requirements for guaranteed products that will become effective in 2012 also make these products distinctly less viable for us. We are currently exploring opportunities on the traditional market.

Until that time, we are managing our existing portfolio for longer-term value. Interest risk on the portfolio has been hedged using swaptions. For new sales, we are focusing on standardised types of unit-linked products that can be distributed through all our different labels and distribution channels.

However, we are in the process of taking cost out of our operations by reducing the number of IT systems to two. This will reduce our costs significantly, make our processes more efficient and we will be able to pass these savings on to customers.

Customers are also increasingly looking for hybrid solutions. What we have done is develop an innovative defined-contribution product that offers employers the low risk they are looking for but guarantees employees a specific pension payment on maturity. This product is supported by straight-through processing that reduces cost. In 2010, our strategic choices generated gross written premiums of €853 million (2009: €1,217 million excluding the merger of our pension funds). Single premiums were down to €252 million (2009: €478 million, excluding the pension-fund merger) while annual premiums also decreased to €601 million (2009: €739 million). The decrease was felt particularly in traditional products (-47%); the decline in unit-linked products was limited to 16%.

Customer satisfaction - Pensions

According to a survey we carried out among customers (employers), satisfaction increased to 6.7 out of a possible 10 in 2010 (2009: 6.2). We also measured satisfaction for the first time among customers who had taken unit-linked products via our new system. It was gratifying to discover that this segment scored highest in the whole survey. At 7.3, this is a confirmation that we are on the right track. Moreover, the improved customer satisfaction score is further due to greater appreciation for direct access to a regular contact person. Satisfaction on back-office service has also increased considerably although there is room for improvement.

Individual life insurance

This saturated sector is facing ongoing decline except in individual term insurances; the market for unit-linked and single premium products collapsed in the wake of the economic crisis and the success of 'bank savings' products. The economic crisis continues to affect the housing market and the ensuing decline in the number of new mortgages has impacted the individual life insurance market. The same applies for banking alternatives to traditional products although we are convinced competition will flatten out once interest rates begin to rise again. Over the next three years we are expecting gross written premiums to decline by at least 1% per annum.

Individual life insurance - what is Achmea doing?

Achmea labels have an estimated 10% (2009: 14%) of the individual life market, provided through our various distribution channels. The decrease is due mainly to the growth of bank savings products. Our primary focus is on term insurance products. Customers want greater transparency, less complexity and convenient, flexible access to products. So our first priority is to resolve legacy problems in both products and our operational processes. We have too much redundancy in the variety of products on offer, and we have too many systems currently managing those products. By joining forces with pension insurance, the newly created

BUSINESS LINE | LIFE

Life and Pensions Business Domain will ensure we become more efficient and reduce our costs. Costs have to be controlled and predictable into the future. Individualised solutions and more simplicity are other factors in customer requirements. To move closer to what customers want, and like other business lines across the Group, we have now rolled out the SENS programme within Life. We believe that by focusing on what the customer wants and needs and organising our operations accordingly, we will be able to contribute to restoring customer trust. A clear move in this direction is the settlement we have reached concerning the maximum cost-loading on unit-linked products. We were the first insurer to compensate customers upfront if it proves that costs exceed the maximum. This is a form of proactive transparency that we believe customers, be they employers or employees, value and recognise. We aim to distinguish Achmea in this way in response to greater demand for transparency in both costs and risks. Gross written premiums in 2010 were down 8% to €1,855 million (2009: €2,006 million) due to a decline (-20%) in single-premium products; annual premiums were stable. Premiums were under pressure in all product lines except for term insurance. Premiums for these products increased due to a successful launch of an innovative product in the bank distribution channel.

In 2010, Eureko recalculated all relevant components of the provisions related to Dutch unit-linked Life insurances. In calculating the provision, Eureko applied the recommendations of the Financial Services Ombudsman and further takes into account arrangements made by other insurers. This resulted in an additional provision of €149 million. The main reason for increased provisioning is that we reimburse any over-payment of costs upfront rather than when the policy matures. In this way, Achmea, as the first major insurer, has determined that compensation will be deposited directly into the policy (rather than on maturity). Future costs will also be compensated. If in the future customers decide to terminate a policy, then there will be no reduction of the compensation amount already received.

Customer satisfaction - Individual life

Surveys of three retail customer groups (new, existing and customers receiving payments) by the Dutch Association of Insurers generated rather disappointing results for the individual life insurance sector. This is probably related to negative sentiment on the cost-loading of unit-linked products. With an average of 7.1, it scores the lowest of all sectors (Life, Non-Life and Health). At an average 7.3, Achmea scored well above the market. Both Achmea's power brands, Centraal Beheer Achmea (CBA) and Interpolis, scored 7.3. On new customers, CBA scored in line with the sector and Interpolis was just under. We were able to achieve a higher than average rating from existing customers. This is due, we believe, to the fact that contacts with customers are usually direct. For customers receiving payments, both CBA and Interpolis clearly outperformed the market average.

Pension services

Pension services, provided by Syntrus Achmea, is an attractive and dynamic market comprising three components: asset management, pension administration and real estate. By definition, the management of a pension fund is a long-term activity. In recent years, there has been increased competition from asset managers set up by pension funds, international managers, banks and insurers. It is also an increasingly complex market, especially in asset management and related regulation. This complexity demands significant expertise from managers in a market where the very sustainability of the current system is under pressure. Customers are demanding more transparency, information and flexibility. Many pension funds have been severely impacted by the economic crisis. There is a clear trend towards merging of pension funds to reduce related costs and complexity. There is also greater switch behaviour to another service providers than in the past. Another opportunity is in so-called Premium Pensions Institutions (PPI). Originally a European initiative based on cross-border defined contribution pensions, we are also in a position to offer this type of product.

BUSINESS LINE | LIFE

SWOT ANALYSIS FOR PENSION SERVICES

Strengths	Weaknesses
• Relationship with social partners • Extensive pension knowhow/expertise • Market leader in Real Estate • Full service provider • Able to serve pan-European pension funds • Strategic pension management for directors and trustees	• Limited brand recognition • Commercial skills • Limited track record of ability to change
Opportunities	**Threats**
• Trend towards merging funds • New European Union guidance note on PPIs • Increased switch behaviour • Trend towards fiduciary asset management • Complex market	• Competition from (foreign) bank/pension fund asset managers • Increased switch behaviour • Sustainability current pension system

Pension services - what we are doing

Under the Syntrus Achmea brand, we offer management services to the second-pillar segment – industry and sector pension funds. With over 3.5 million clients participating in its 80 pension funds, we are a major player in de the Dutch pension market. Syntrus Achmea is a full service provider, but also offers its services as free-standing modules e.g. pension administration, strategic pension management, asset management or real estate management. The staff has extensive pension knowhow/expertise and maintains excellent relations with trade unions and employers. Syntrus Achmea is market leader in the Netherlands in real estate, which offers major benefits in its portfolio management. We can also offer pan-European pension fund services to multinational companies.

In response to changing market circumstances, Syntrus Achmea is repositioning itself as a financial service provider. We are offering strong asset and real estate management while building further on pension administration. In 2010, we developed a new concept in advisory services. Strategic Pension Management is offered to directors of pension funds and the CFOs of large corporates. The development of such services is fully in line with the risk management and governance challenges facing pension funds. With switch behavior increasing, they also give us greater name recognition in the market place. Syntrus Achmea is streamlining its organisation, especially the sector-wide pension fund activity, by improving efficiency. A new, more financially orientated corporate identity will improve the brand recognition in 2011.

In 2010, our pension services activities generated stable results. Syntrus Achmea has an estimated market share of 21% (2009: 31%), based on number of pension participants. The decrease is due primarily to the departure of a number of large customers. Assets under management on behalf of institutional clients increased to €62 billion (2009: €58 billion), mainly due to better investment results. Syntrus Achmea's real-estate portfolio is part of assets under management. In 2010, the portfolio remained stable at €14 billion. Total fee and commission income decreased 14% to €294 million (2009: €343 million) due to the departure of a number of large customers. Recently, Syntrus Achmea contracted a number of new clients. In the medium-term (after 2011), this will result in an increase in fee income.

EXECUTIVE BOARD REPORT

BUSINESS LINE | LIFE

OUR EUROPEAN MARKETS

In 2010, Eureko's operating companies outside the Netherlands generated €390 million (2009: €437 million) or 11% of the Group's Life gross written premiums. APE in our European countries declined 12% to €108 million (2009: €123 million). Eureko is active in two of Europe's most troubled economies. However, Interamerican in Greece and Friends First in Ireland both responded well to the crisis by reducing costs and focusing on profitable business areas. In 2010, Eureko divested its Interlife Cyprus life and pensions business and announced the sale of its French operation Império – a niche life insurer active in the Portuguese community in France.
Outside the Netherlands agency networks generated the largest share of sales volumes. In Central and Eastern European countries market penetration is developing more slowly than expected, but long-term opportunities remain.

Ireland

The economic situation continued to weigh heavily on the life and pensions market in Ireland during the reporting year. Although the recession ended in 2010, the turmoil in the sovereign debt markets added further uncertainty towards the end of the year. New business sales declined 8% to €72 million compared to 2009. As a result, market share declined slightly to an estimated 6.5%.

Gross written premiums for Friends First in 2010 were €212 million versus €238 million in 2009. Strong sales of single premium pension business helped increase the contribution of investment contracts to €315 million compared to €291 million in 2009. Whilst the reduction in profits in 2010 is mainly due to one-off factors, general trading conditions have led to a reduction in VNB margins. The total number of internal FTEs fell 12% across the business units.

Greece

Interamerican Greece contributed €160 million to gross written premiums, including €57 million in investment contracts. Despite the challenging economic environment New Business APE is only 2% lower than in 2009. However, the two primary distribution channels, bank and agency, both performed well. The agency channel especially improved sales of pension, savings and capital unit-linked products while the bank channel performed strongly on all life products.
Operational expenses are significantly lower compared to last year due to cost reduction programmes. A series of actions have been taken to improve the portfolio whose quality has been adversely affected by the financial crisis. These actions include the simplification of product range, alignment of products and processes to multi-distribution strategy and focus on profitable business areas. In 2010, Interamerican implemented the biggest change in its 40-year history of working with its tied agency network. Close to 2,000 tied agents from 92 agencies were reduced to 20 highly-productive units with a new remuneration system.

Other countries

Union Slovakia, Eureko Romania and Interamerican Bulgaria have all seen a significant decline in gross written premium to €19 million (2009: €43 million of which €20 million Cyprus). This is offset in part by an equally significant fall in operating expenses following the implementation of successful cost reduction programmes. All three countries are suffering from very difficult economic environments. High unemployment and lapse rates are the main causes. Restructuring the life product portfolio will give them a strong starting position when economic circumstances improve.

EXECUTIVE BOARD REPORT

BUSINESS LINE | BANKING

IN THE NETHERLANDS, EUREKO AIMS TO PROVIDE FULL FINANCIAL SERVICES TO CUSTOMERS. THAT IS WHY WE ARE ENGAGED IN BANKING ACTIVITIES AS A COMPLEMENT TO OUR INSURANCE BUSINESS. WE OFFER BANKING PRODUCTS AND SERVICES THROUGH ACHMEA BANK (ACHMEA HYPOTHEEKBANK AND ACHMEA RETAILBANK) AND PRIVATE BANK STAALBANKIERS.

PROFIT BEFORE TAX

€49 MILLION

TIER 1 RATIO

12.8%

CREDIT PORTFOLIO

€15.4 BILLION

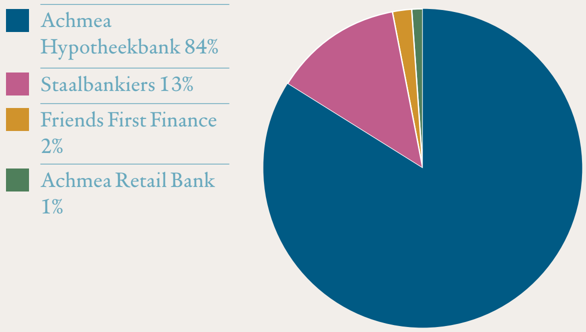
NET INTEREST INCOME

€151 MILLION

GOALS 2011 AND BEYOND

- Streamline organisation at Achmea Hypotheekbank and Achmea Retailbank
- Increase savings/wholesale funding ratio at Achmea Bank to finance mortgage activities to 40% by 2014
- Achieve assets under management Private Banking of at least €2.4 billion at Staalbankiers in 2012

CREDIT PORTFOLIO



EXECUTIVE BOARD REPORT

BUSINESS LINE | BANKING

RESULTS

(€ MILLION)

	2010	2009	Δ %
Net interest margin	151	185	-18%
Net commission income	5	4	25%
Other income	20	19	5%
Total income	**176**	**208**	**-15%**
Operating expenses	106	132	-20%
Other expenses	4	2	100%
Addition to loan loss provisions	17	121	-86%
Total expenses	**127**	**255**	**-50%**
Profit before tax	**49**	**-47**	**n.m.**
Key ratio			
Cost/income ratio	62%	64%	

In 2010, our banking activities generated profit before tax of €49 million, up on the previous year's -€47 million. The increase is due primarily to lower additions to loan loss provisions in Ireland. Lower interest margins as a result of higher funding costs at Achmea Bank were offset to some extent by higher fair value changes. Interest margins, fair value changes and commission income improved at Staalbankiers. Operating expenses were down to €106 million from €132 million in 2009. The decrease is due mainly to lower expenses at Friends First Finance (run-off construction), no issues with the Dutch guarantee system (DSB in 2009) and cost reductions. Mainly as a result of this, the cost-income ratio improved to 62%. The total number of FTEs fell 12% primarily through a reduction at Friends First Finance.

THE NETHERLANDS

Achmea Hypotheekbank (AHB)

AHB offers mortgages through our direct channel brands, Centraal Beheer Achmea and FBTO, and through the broker channel. In the past two years, transaction volumes have fallen in the Dutch mortgage market while house prices fell slightly. In line with overall Group strategy, Achmea Hypotheekbank will focus primarily on supporting Eureko's direct distribution channel labels Centraal Beheer Achmea and FBTO This focus offers us banking/insurance cross-selling opportunities. Currently, around 87% of AHB funding is sourced on the wholesale market. In order to diversify the funding mix, we plan to generate up to 40% of AHB's needs through Achmea Retailbank (ARB). ARB is expected to achieve significant growth in savings and deposit accounts. To ensure continued profitability, AHB is focusing on creating value rather than volume growth. As a consequence, in the reporting year, production amounted to €139 million (2009: €323 million). The total mortgage portfolio declined by €0.7 billion to €12.9 billion (2009: €13.6 billion). Despite volatile conditions on capital markets, we were able to issue two tranches of our Residential Mortgage-Backed Securities programme for €0.7 billion and €1.2 billion, respectively. Profit before tax in 2010 amounted to €55 million (2009: €77 million) due to lower results on interest rates and higher re-financing costs. The core Tier 1 ratio improved to 12.8% (2009: 10.4%), due mainly to the successful securitisation transactions.

Achmea Retailbank

In line with a strategy of focussed growth and restructuring of the balance sheet, Achmea Retailbank (ARB) announced the sale of its consumer credit activities (total portfolio of approximately €200 million). Finalisation of the actual transfer took place on 1 March 2011. Building on the strength of the Achmea brand, ARB was very successful in launching a current-account savings programme. ARB will continue to take advantage of a wider market trend of strong growth in fiscally facilitated retail savings products. Total savings at the end of 2010 amounted to € 2.1 billion, €742 million higher than in the previous year due to a successful savings campaign by Centraal Beheer Achmea in the third quarter of 2010. Profit before tax remained stable at €5 million.

BUSINESS LINE | BANKING

SWOT OF BANKING ACTIVITIES – ACHMEA BANK AND STAALBANKIERS

Strengths	Weaknesses
• Solid Capitalisation and (BIS) Ratios • Achmea Brand strong base for strategic product development • Transparent and lean organisation • Strong client intimacy and satisfaction rates • Solid asset management policy and results • No proprietary investment products (private banking) so independent advisors	• Private bank has no access to capital and wholesale markets • IT & Operations (the only dissatisfier in Staalbankiers client satisfaction surveys) • Lack of economies of scale for private bank • Lack of (high street) branch network limits retail opportunities
Opportunities	**Threats**
• Growing demand for independent (investment) advice. • Client dissatisfaction with private-banking competitors • Demand for (fiscally) facilitated bank savings products benefits retail bank • Strong Achmea brand supports access to internet-based funding (saving accounts) • Growth in internet-based retail banking savings/investment products	• Continuous changing regulatory environment, e.g. Basel III • Slow economic recovery and euro uncertainties • House prices and new mortgages remain low for extended periods • Sudden/unexpected restriction of tax deduction on mortgage interest payments

Staalbankiers

In 2010, private bank Staalbankiers revitalised its strategic objectives, also in the wake of the financial crisis. It is fully committed to clients offering excellent independent advice and high quality, high level services. The Bank has a lean cost structure, a transparent organisation, solid financials and significant Assets under Management (AuM). Staalbankiers was able to further increase its AuM base in 2010 to €1.6 billion (up 17%); its client satisfaction rating also increased whereas its peer group saw a fall in approval. A clear opportunity is to attract new clients through our no-nonsense approach, whereby the individual interest of clients is leading, combined with good investment performance. In 2010, the balance-sheet assets decreased to €2.0 billion (2009: €2.9 billion) due almost exclusively to the netting of debit and credit balances that pension and real-estate funds maintain at the Bank. Profit before tax was -€19 million, up from -€36 million in 2009. The increase is due to higher net interest income and more commission income from the increase in assets under management. Operational costs were in line with 2009 in spite of ongoing investment in new IT systems and operational processes. In line with strategy, Staalbankiers retains a strong core Tier 1 ratio of 13.7% (2009: 14.7%), an ample liquidity position and a modest risk profile.

IRELAND

Ireland Friends First Finance

Friends First ceased operating its consumer finance division, Friends First Finance, in August 2009. The phased closure is expected to take between five and seven years to complete. In 2010, Friends First Finance made significant progress in collecting its loan book, reducing the portfolio from €466 million at the end of 2009 to €319 million at the end of December 2010. Although the poor performance of the Irish economy led to a continued need for high loan loss provisions, these were kept at their 2009 level. Profit before tax was €8 million (2009: -€93 million).

CAPITAL AND LIQUIDITY MANAGEMENT

In 2010, Eureko has seen its equity position return to pre-crisis levels through careful management of both capital and liquidity, thus reinforcing continuity for our stakeholders. With our capital position comfortably above stringent internal requirements and well above regulatory stipulations and a strong liquidity position, we are working to anticipate and manage a number of developments in the market.

GOALS IN 2010 AND BEYOND

- Ensure continuity for stakeholders
- Maintain very strong S&P capital position (AA level) and a credit rating of Eureko B.V. in A category

Market developments

Some of the effects of the financial crisis are still with us. There are a number of factors that can be seen as a direct result of or reaction to the economic environment. The regulatory environment applicable since 2007 is currently being adjusted to incorporate lessons learned in recent years. Basel III is even more stringent than its predecessor. The expected proposals will certainly be new regulations for the financial sector and will concentrate on improving quality and levels of capital and liquidity requirements. Solvency II was already in development when the crisis began in 2008. Over recent years, progress towards implementation (slated for 2013) has been systematic. In mid-2010, the technical specifications for the QIS5 impact study were published. These specifications indicate how much solvency has to be retained to cover the full range of risks. One positive in the current environment is that the funding market is recovering slowly and there are more opportunities to raise capital.

Capital position

We began the reporting year, 2010, with a Standard & Poor's (S&P) capital position in line with our target AA level. That position was further reinforced through the year due to our operational profits, the results of the PZU IPO and other income generated by the sale of our remaining 13% holding in this Polish insurer. At year-end 2010, total equity was €10,357 million, up from €10,127 million in the previous year even though we paid out over €1 billion in dividends to shareholders . The increase is due to strong financial results and positive foreign-exchange results. Hybrid capital (included in total equity) remained stable at €1,325 million. During the year, S&P implemented a new capital model that increased requirements. Eureko's capital position remained well above the new AA target.

Regulatory solvency

To guarantee continuity for our stakeholders, Eureko has initiated its own internal solvency levels that are much higher than the current regulatory requirements. These levels are determined using the model we have developed internally and use to test our resilience under Solvency II regulations. This is what we steer on. Furthermore, as counter-balance, we also apply the S&P capital adequacy model. S&P capital requirements are consistent with an AA target capital level that is also much higher than internal capital targets; maintaining a capital position at this level is a primary goal for Eureko. At year-end 2010, Group solvency had increased by 4% to 220%, well above the regulatory requirement and very comfortably above our own more stringent requirements. The solvency ratio's increase is mainly the result of the increase in our Total equity. This was partly offset by a lower surplus in the liability adequacy test (LAT). The LAT surplus declined due to increased life expectancy. Total impact of the new mortality tables (on both observations and trend forecasts) on solvency is 5%-points. Required capital remained stable. We use the conservative swap curve to set internal requirements.

CAPITAL AND LIQUIDITY MANAGEMENT

Minimum solvency targets for Non-life are 160% of regulatory requirements; in 2010, it was 281%. The minimum percentage is 125% for basic Health and 150% for supplementary Health; we achieved 161% and 572%, respectively. Life has a 170% internal requirement with the actual figure at 223%. Overall, Group solvency for all insurance entities amounted to 227% at the end of the reporting year. For our Banking activities, the Tier 1 ratio increased once again to 12.8% (2009: 11.3%) based on the standardised approach and well above the 8% regulatory requirement.

EUREKO GROUP REGULATORY SOLVENCY LEVELS (€ MILLION)

	2010	2009
Available capital	8,680	8,700
Required capital	3,953	4,036
Ratio Available/required capital	220%	216%

Solvency II preparations

Solvency II, the successor to the European Union's existing solvency regime for insurers, is a fundamental review of the capital adequacy requirements. It applies to all European insurers and will become effective from 2013. Solvency II has wide-reaching implications for the industry. Specifications were published in 2010 for the amount of solvency that must be retained to cover the full range of risks. We take the view that capital ratios under Solvency II will be much more volatile than those under the current regime. Due to volatile balance sheets and the unfamiliarity with the new regime, there is a chance that cost of capital will increase in the short term. Equivalence of Solvency systems may be an important issue. Smaller, niche primary insurers may be at a disadvantage if they do not have sufficient data and resources to have internal models ready for Solvency II. The proportionality principle will enable them to implement Solvency II in a way that is in line with the nature, scale and complexity of their risks. A problem may be the fact that the Insurance Linked Securities market, which securitises underwriting risks to capital markets, may not provide sufficient capacity to meet initial increased demand. As capital requirements will increase, especially for Non-life insurers and re-insurers, it will be important to have an approved internal model. We are participating in the pre-application of internal models. Our ambition level is a full internal model for the Dutch activities. However, in view of the tight time frame, internal models will be developed gradually. Priority will be given to models in Non-life and Health. In 2010, we participated in QIS5, the most recent impact study for Solvency II that set capital specifications. This study concerns the calculations of capital requirements via the standard formula. As we expected, we achieved a score above 150% (taking into account the merger of our life activities as of 1 January 2011) of set capital requirements as Solvency II is calibrated to an S&P capital level of BBB. We are further investigating the strategic consequences of QIS5 for the organisation.

FUNDING AND LIQUIDITY

In 2010, Eureko's liquidity position was strong and improved further following the PZU divestment.

Funding strategy

Our strategy on funding is based on assuring access to international capital and credit markets at low cost, underpinned by credit ratings in line with peers. Actual funding activities are centralised and the Holding coordinates them even though, in principle, each operating subsidiary is responsible for financing its own business. However, Eureko can participate in financing the operations of certain subsidiaries, usually through subordinated debt funding and other forms of capital and loans. As a holding company, Eureko, and the major Dutch holding entities, rely for funding needs principally on distributions of internal dividends and short-term excess liquidity from operating subsidiaries and associated companies. Such distributions and internal funding are usually subject to regulatory restrictions, and, in the case of associated

EXECUTIVE BOARD REPORT

CAPITAL AND LIQUIDITY MANAGEMENT

companies, by the dividend policies as determined by those companies. Eureko and our principal holding entities' cash flow gives a comprehensive, high-level overview of the Group's sources of capital as a complement to the cash flow statement in the financial statements. In combination with sound access to capital markets, the Group's financial flexibility is considered very strong.

OVERVIEW CASH FLOW AND REALLOCATION OF CAPITAL

(€ MILLION)

	2010
Cash remitted by business	
Non-life	15
Associates	52
Health	6
Proceeds from divestments	2,535
Financing/corporate actvities	
Net interest paid (Eureko)	-43
Dividend and coupons on capital securities paid	-1,172
Repurchase preferent shares	-49
Net change in borrowings	200
Tax settlements	-186
Corporate activities	-781
Investments in business and associates	
Non-life	-40
Life and Pensions	-8
Other	-172
Net change in cash	**357**

Liquidity – holding

For liquidity purposes, at holding level, Eureko maintains committed and uncommitted credit facilities with a variety of international banks for both Eureko B.V. and Achmea Holding N.V. At year-end 2010, those committed credit lines (€750 million) were undrawn. Those facilities do not contain financial ratio covenants or banking covenants with the obligation to redeem in case of a rating downgrade. These facilities expire in 2013. Lower rating levels could result in slightly higher interest rates. Eureko's external borrowings not allocated to its banking and finance operations improved slightly to €825 million at year-end 2010 (2009: €867 million). As a consequence, debt leverage (measured as non-banking debt and perpetuals as a percentage of the sum of total equity, non-banking debt, perpetuals and minus goodwill) improved further from 22.8% to 22.0%. Eureko had no double leverage.

DIVIDEND POLICY

Eureko's dividend policy, formulated and implemented in 2004, consists of a stable (or slightly increasing) dividend per share, based on a payout ratio of 35–45% of net profit attributable to ordinary shareholders. In the context of the capital increase, executed in April 2009, it was agreed with shareholders that dividend payments will be 45% of net profit attributable to ordinary shareholders. All proposed dividends are subject to approval by the Annual General Meeting of Shareholders.

Liquidity – insurance entities

The liquidity position of our insurance entities is sound, as we maintain a high level of liquid investments in the investment portfolio, including short-term deposits, liquid government bonds and listed equities. Liquid assets, i.e. assets that can be made readily available, represent 74% of the investment portfolio. This is a decrease compared to 2009 (87%) as we have tightened criteria for liquid assets.

Liquidity – banking

Funding is recovering to some extent and, as indicated in 2009, Achmea Hypotheekbank went to the market twice in 2010 with Residential Mortgage-Backed Security issues. Both were placed successfully in the capital markets, generating €0.7 and €1.2 billion additional funds,

CAPITAL AND LIQUIDITY MANAGEMENT

respectively. Achmea's banking operations were able to maintain their liquidity position well above regulatory requirements. We aim to utilise more unsecured funding through savings. In 2010, this resulted in €742 million additional savings. Staalbankiers has an adequate liquidity position.

RATINGS

	TYPE	S&P	FITCH
Eureko B.V.	CCR	A-	NA
Achmea Holding N.V.	CCR	A-	NA
Achmea Insurance entities	CCR/IFSR	A+	NA
Achmea Hypotheekbank N.V.	CCR (long term)	A-	A-*
	ACCR (short term)	A-2	F2*
	Secured debt programme	A+	NA
	Covered bond programme	NA	AAA
			(Moody's: Aa2)

* Negative outlook

CCR: Counterparty Credit Rating

IFRS: Insurer Financial Strength Rating

In December 2010, Standard & Poor's revised its outlook for the core operating entities and Eureko's holding companies from negative to stable. At the same time, they affirmed the A+ long-term counterparty credit and financial strength ratings on the core operating entities, and the A- issuer credit ratings on the holding companies. Achmea Hypotheekbank's A- rating with stable outlook was affirmed in January 2010. Moreover, we applied to Fitch for a rating for the mortgage bank. In April 2010, we received an issue-default rating (IDR) of A- negative outlook. The short-term rating is F2. Fitch gave Achmea Hypotheekbank's Covered Bond Programme an AAA rating and Moody's an Aa2.

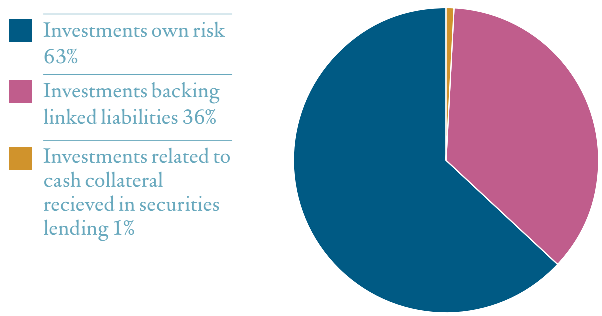
INVESTMENTS

With total investments of €64 billion we are a major institutional investor. As an insurer, it is Eureko's task to invest the premiums paid by customers in the best way possible. That means we have to continually weigh risks and returns. Our investment policy reflects that awareness. We strive for an optimal return without losing sight of the risks involved.

GOALS IN 2010 AND BEYOND

- Value creation by achieving targeted returns through outperforming set benchmarks without exceeding risk parameters
- Further reinforcement of counterparty policy

TOTAL INVESTMENTS



Our customers have to know their premiums are in good hands. Part of these premiums are invested at the customer's own risk. The related investment backing linked liabilities represent 36% of our total investments. However, a large portion of invested premium is at Eureko's risk and we guarantee a specific return on some products. Around 63% or €40 billion of total investments is our own risk. Furthermore, we have a relatively modest portfolio of investments related to cash collateral received in securities lending (1% of total investments) and a negligible amount in associates (€149 million). This position has been gradually reduced over recent years as it no longer fits with our risk policy. In total, Eureko's dedicated balance-sheet and investment managers oversee a total of €64 billion. Essentially, they act as managers of asset managers. Management of the full portfolio is outsourced to fund managers F&C Asset Management, Robeco and Syntrus Achmea Vastgoed and a range of managers for alternatives based on a clearly defined investment philosophy and policy. This section relates primarily to those investments made at Eureko's own risk.

Market developments

Government risk: A development that could affect the performance of our portfolios is the shift in government risk. Often known as 'risk free' investment, the situation of countries such as Greece, Ireland, Italy, Spain and Portugal (the so-called GIIPS countries) have brought about a shift in perceptions. We had already reduced our exposure to these countries in 2008 and 2009; exposure to Greece and Ireland relates almost exclusively to our activities there. At year-end 2010, our sovereign exposure on these countries only amounted to €740 million or 2.3% of the fixed income portfolio. Our assumption is that some countries, e.g. Germany and the Netherlands, can still be considered 'risk free'. Policy is to concentrate on bonds issued by strong euro countries. We are monitoring the situation closely.
Low interest rates: The effects of the economic crisis are still with us in the form of continuing low interest rates. Although this development is not an issue for our existing portfolio of guaranteed-return products as we are fully hedged, it could have proved disadvantageous for new commitments. Rather than adjust policy to accommodate current market conditions, we opted to temporarily

INVESTMENTS

suspend offers on guaranteed products – for more on this move, see Life.

SOVEREIGN EXPOSURE GIIPS COUNTRIES

€ MLN	31-12-2010	IN % OF FIXED INCOME PORTFOLIO	31-12-2009	IN % OF FIXED INCOME PORTFOLIO
Greece	97	0.3%	149	0.5%
Italy	89	0.3%	205	0.7%
Ireland	384	1.2%	538	1.8%
Portugal	49	0.2%	110	0.4%
Spain	121	0.3%	60	0.2%
Total	**740**	**2.3%**	**1,062**	**3.5%**

Our investment policy

Eureko has a clear investment policy and, following the financial crisis, this policy has been further sharpened. To ensure continuity and returns to customers, we always aim for the best possible return on the investment portfolio. However, there is a range of pre-requisites that have to be met at all times. These include effects on solvency, rating, liquidity and P&L. The investment team works closely with both Capital Management and Risk Management. The focus of our policy is long term also because of our cooperative background. Compared to before the crisis, our portfolio is now more resilient as we have reduced the chance of forced sales considerably. The combined focus on longer-term horizons and a smaller chance of forced sales within the pre-requisite framework has resulted in a relatively conservative investment portfolio.

Strict steering on counterparty risk is a key part of our investment policy. We maintain a stringent approach to risk whereby we distinguish between government and other parties and taking ratings into account. We monitor these factors at least quarterly and, if deemed necessary, we will review exposure to more distressed countries on a monthly basis.

The investment portfolios

Eureko differentiates between two types of investment portfolio – the so-called replicating and return portfolios. A key component in our investment policy is to match where possible investment to related liabilities. This is our replicating portfolio. The aim of the replicating portfolio is to hedge market risk in the portfolio as much as possible. This portfolio consists of bonds, loans, derivatives (for hedging purposes) and cash. The return portfolio does not match liabilities. Investments in this portfolio are also equity, property, private equity, commodities etc. Targeted return on investment is set through indexing to specific indices.

(Enhanced) engagement on investments

Working with investment manager Robeco, Eureko pursues so-called enhanced engagement on investments as part of our Corporate Social Responsibility (CSR). Policy consists of three important steps. We have asked our managers to implement environmental, sustainability and governance (ESG) criteria in the mainstream asset selection. Subsequently, we enter into dialogue with the investees and exclude these if the dialogue is not successful after a three-year period. We will be reviewing our investment portfolio in 2011 based on dialogue criteria. Countries and manufacturers of controversial products are, of course, excluded from our investment horizon.

Performance in 2010

Of our total own risk portfolio, 88% relates to our Dutch activities and the remainder to our international operations. This section on performance covers Dutch activities only. Following a number of challenging years due to the global crisis, Eureko is able to report very good investment results over 2010, both in absolute and relative terms. The more risk-sensitive component of the portfolio especially achieved strong returns. We have yet to profit fully from the recovery because we derisked the portfolio significantly some years ago. However, this was a strategic choice in our investment policy.

INVESTMENTS

On equity investments, we apply so-called enhanced indexing. This means managers F&C and Robeco also have a relatively small tracking error component compared to the index. This only applies to the listed equity portfolio in developed and emerging markets and represents approximately two-thirds of the equity portfolio. About one-third of the equity portfolio is invested in >5% participations, thus benefitting from the Dutch tax regime on such investments. The total return on the equity portfolio in 2010 was approximately 14%, including foreign currency hedges.

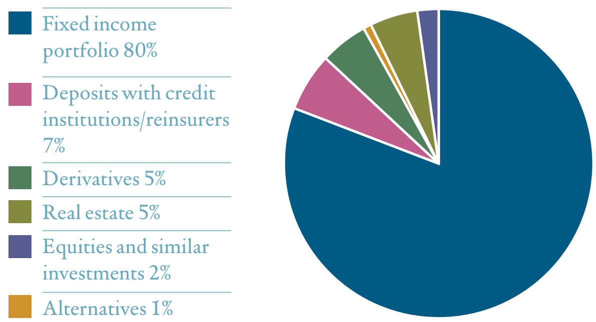
Results on the fixed-income portfolio were also satisfying. Government bonds achieved a good return because we had invested primarily in strong euro countries and these economies especially were advantaged by falling interest rates. The credit portfolio, especially US credits, did well. The more risk-sensitive fixed-income portfolio, including ABS and convertibles, is a relatively small portion of the portfolio (around €750 million), also had a good year. Covered bonds performance was less satisfying as a part of this portfolio is invested in Spain.

The reporting year was a good one for commodities. Our performance was more than 20%.

COMPOSITION INVESTMENT PORTFOLIO

Eureko's own risk investment portfolio increased 3% to €40.5 billion (2009: €39.1 billion). This is excluding investments in associates and investments related to cash collateral received in securities lending but including investment property. The increase is due primarily to the bond portfolio. Compared to last year the composition of the portfolio changed slightly. The relative position of fixed income securities, including loans and mortgages, increased to 80% (2009: 78%) of the total investment portfolio. In 2009, at 10%, deposits with credit institutions were relatively large as a consequence of the PZU dividend received in late 2009. In 2010, the share decreased to 7%. Only 3% of the portfolio is currently invested in equities or alternatives. Impairments amounted to €46 million compared to €161 million in 2009.

Total investment portfolio year-end 2010 (€40 billion)



Fixed income portfolio

The fixed income portfolio increased in the reporting year by €1.6 billion to €32.0 billion (2009: €30.4 billion). The majority of the investments (61%) or €19.4 billion (2009: 64%) are invested in government bonds. These are predominantly Dutch and German government bonds or are government-related. The position in loans (11%) consists mainly of savings accounts related to mortgages and pension products with Rabobank. A modest part of our fixed income portfolio consists of corporate bonds. Approximately 8% is invested in covered bonds and asset backed securities. The fixed income portfolio is rather conservative. Of the portfolio, 83% has a triple A rating and only 1% is non-investment grade.

EXECUTIVE BOARD REPORT

INVESTMENTS

RELATIVE POSITION OF FIXED INCOME BY NATURE

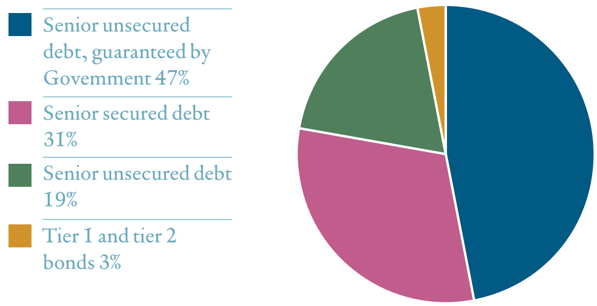
	YEAR-END 2010	YEAR-END 2009
Government bonds/ government related	61%	64%
Credits	16%	14%
Loans	11%	10%
Covered bonds	5%	8%
Asset backed securities	3%	2%
Structured credits	2%	0%
Convertibles	1%	1%
High yield	1%	1%
Total	**100%**	**100%**

FIXED INCOME PORTFOLIO BY RATING

	YEAR-END 2010	YEAR-END 2009
AAA	83%	80%
AA	3%	5%
A	7%	6%
BBB	5%	5%
<BBB	1%	1%
Not rated	1%	3%
Total	**100%**	**100%**

Over the past year, our position in financial bonds (€7.7 billion) has shifted to more senior financial bonds and we have deleveraged the position in Tier 1 and Tier 2 bonds. Of the financial bond portfolio, only 3% is Tier 1 or Tier 2 bonds.

Relative position of financial bond portfolio, year-end 2010, total €7.7 billion



Equity portfolio

The equity portfolio is rather small at only 2% of the total investment portfolio. At year-end 2010, total equities amounted to €0.8 billion compared to €1.1 billion at the end of 2009. Besides the equity portfolio Eureko has also invested €0.7 billion (2009: €0.5 billion) in alternatives such as private equity, hedge funds, infrastructure and commodities. The equity and alternatives portfolio is, besides foreign exchange rate risk, not hedged.

Real-estate portfolio

Our real-estate portfolio amounted to €1.8 billion (year-end 2009: €1.7 billion). The portfolio consists of €1.4 billion direct real estate and €0.4 billion indirect real estate. The value of direct investment property is determined by the property's occupancy rates. It would seem that the real-estate market is finally bottoming out and the value remained relatively stable during the reporting year.

RISK MANAGEMENT

The management of risk is an essential and integral component of all financial institutions. For insurers, it is what we do on a day-to-day basis, every day. Our risk management is comprehensive and well organised. To better support our business lines in achieving their goals, and as required by Solvency II, we are establishing an integrated risk management framework. As part of this process, in 2010 we continued improving and integrating our risk management activities.

GOALS 2011 AND BEYOND

- Continue developing a (partial) internal model in the context of Solvency II
- Further embedding integrated risk management including risk appetite in business cycle
- Develop risk budgeting based on economic principles

Managing risk – what are we doing?

In 2010, Eureko continued strengthening its risk management. The focus is on Solvency II compliance and the establishment of a fully integrated risk management framework. Risk management today requires a much more integrated approach not only between types of risk but also within the business cycle. The integrated risk management framework under development by Group Risk Management will ensure that all risks are managed consistently and effectively and will support the business in achieving their objectives.

Main risks in 2010

Eureko's risk management has been designed to identify, assess, mitigate and control all our risk categories. These are not static. Depending on market environment or other external factors, specific risks may require specific attention. One example in 2010 is Eureko's exposure to the so-called GIIPS (Greece, Italy, Ireland, Portugal and Spain) countries. Additional Finance & Risk Committee meetings were convened to monitor and discuss developments. Consequently, more stringent governance principles were initiated and approved for our international operating companies on investment decisions whereby the Group can intervene. Action was taken early in the year to further reduce certain exposures in the GIIPS countries and these are now considered tolerable.

Another example is the new Dutch longevity tables that were published in 2010 and conclude that life expectancy is rising more rapidly than forecasted. As a result, at the end of 2010 our Life insurance liabilities were increased to take the new insights into account. Low interest rates (the 10-year government rate averages 2.30%) have also led us to temporarily stop offering guaranteed pension products that usually have a guaranteed 3% return to customers. In 2010, we revised our methodology and policy on interest-rate risk management. In the new methodology we take into account larger potential interest-rate shocks and that is a first step towards a more comprehensive approach in line with the Solvency II requirements.

RISK GOVERNANCE

We continue to work with a three-line defence model. The first line of defence comprises the management of the Group, Divisions and Operating Companies and refers to the controls embedded in the business itself. The second line is composed, among others, of Group Risk Management and Group Compliance & Integrity and risk management and compliance departments in the divisions and operating companies. The third line is through internal audit controls and is managed by the dedicated Group Internal Audit Services.

RISK MANAGEMENT

THREE-LINE DEFENCE MODEL

FIRST LINE

Controls embedded in business (operational)	- Finance & Risk Committee - Line Management and Finance & Risk Committees in Achmea Divisions and OpCos

SECOND LINE

Managerial & supervisory controls	- Group Risk Management, Group Compliance and Integrity - Divisions/business level: Risk, compliance officers and actuaries Divisions and OpCos

THIRD LINE

Internal Audit Controls	Group Internal Audit Services

At the highest level of the organisation, the Executive Board and the Supervisory Board including the Audit & Risk Committee, have an important role in risk management. The Executive Board is responsible for ensuring that effective internal risk management and control systems are in place. The Supervisory Board discusses the risks of the business and the structure and operation of the internal risk management and control systems. More specifically, the Audit & Risk Committee discusses in its meetings the appropriateness of Eureko's risk structure and internal controls. Specifically for risk appetite, the Executive Board is responsible for setting risk appetite statements and submitting these for endorsement to the Supervisory Board.

The Executive Board is supported by the Finance & Risk Committee. Three of Eureko's five Executive Board members have seats on the Finance & Risk Committee, shortening lines of communication and increasing decision-making power. Each meeting begins with a review of the market environment so that risk can be evaluated from both an external and internal business perspective. The Committee prepares advice on risk appetite and the Group risk budget for evaluation and decisions by the Executive Board. Periodically, risk policies, including limit setting on specific risk areas, risk models and the Group's risk profile are monitored, evaluated and approved.

Risk appetite

We are in the process of defining more integrated risk appetite statements at Group level. We have brought together existing risk appetite practices into risk appetite statements.

With respect to capital, Eureko wants to maintain:

- A minimum capital level that meets our regulatory capital requirements;
- Available capital that will be equal to at least a 99.95% economic capital level (over a one-year time horizon);
- Sufficient capital in order to maintain at least Eureko's ambition of a S&P A rating. This implies that Eureko aims at a capital adequacy equivalent to AA rating.

We are in the process of elaborating these capital statements together with statements on earnings, liquidity and operational/reputation risk.

On regulatory capital requirements, Eureko maintains two internal guidelines for solvency, one at Dutch legal entity level and one at business line level (including Operating Companies). The solvency requirement for legal entity level is currently set at 150% for Achmea Dutch legal entities (125% for basic health

RISK MANAGEMENT

insurance) of required Solvency I capital. The solvency requirement at business line level is currently set at minimum coverage equal to 170% and 160% for its Life and Non-Life business (for basic health insurance 125% and for supplementary Health insurance 150%) of required Solvency I capital.

The statements have been used in the business planning for investment plans and for setting reinsurance cover. Given the risk appetite statements, our Asset & Liability Management determines the risk budget for our investments. In this study an optimal asset allocation is determined based on the impact on all risk areas to which Eureko is exposed. Subsequently, an optimalisation of this risk budget results in the final Investment plan.

Our objective is that the Group risk appetite statements will give clear guidance to every part of the business. The next step is to implement the statements at Group level into all business areas by setting risk limits and returns for all business levels in Eureko. Furthermore, we will ensure comprehensive communication as this is seen as a key component in further embedding these statements in decision-making.

Solvency II

The implementation of Solvency II, the new requirements that become effective on 1 January 2013, is a high priority for the whole organisation. It has implications for almost all our risk categories. The development of (partial) internal models is an important activity within the Value Management programme. Eureko participates in the pre-application process on internal models with the Dutch Central Bank (DNB). The aim is to use these (partial) internal models when Solvency II becomes applicable. In 2010, Eureko participated in the 5th Quantitative Impact Study (QIS5) that offers us a good indication of the capital position calculated via the standard formula according to requirements under Solvency II. There is more information on Solvency II in the section on Capital and Liquidity Management.

Economic Capital

Our internal Economic Capital model allows us to quantify our risks per risk category, product group, division, legal entity, and for the Group as a whole using comparable measures of risk. The results are used more and more as input for business decisions, for example on our investment and reinsurance strategies and pricing, and also as input for Embedded Value and Economic Result analyses. The model was further improved during 2010, taking into account the requirements of Solvency II, as we aim to further improve the current economic capital model towards a (partial) internal model suitable for Solvency II purposes.

Economic Capital by business area

Economic Capital after the impact of diversification as of 31 December 2010 amounted to €4.3 billion (2009: €3.9 billion). This outcome is based on a maximum loss over a one-year period using a confidence level of 99.95% and after allowance for taxes (i.e. it represents the maximum after-tax loss Eureko is expected to incur following one or a series of extreme events which, in the aggregate, occur with a probability of 1/2000). Economic Capital is categorised by each major business activity. All risks (insurance, market, counterparty default and operational risk) within each major business activity are aggregated.

ECONOMIC CAPITAL AT 99.95% (€ BILLION)

	2010 YEAR-END	2009 YEAR-END
Life and Pensions	2.1	2.5
Non-life	2.1	2.6
Health	0.5	0.3
Other	0.7	0.4
Banking	0.2	0.2
Total Eureko before diversification	**5.6**	**6.0**
Diversification	-1.3	-2.1
Total Eureko before diversification	**4.3**	**3.9**

RISK MANAGEMENT

The total 2010 Economic Capital is higher than the 2009 result. Some important remarks regarding the 2010 outcome:

- The settlement of the PZU agreement has led to a substantial decrease in economic capital. In 2009, the investment in PZU was allocated to the Life and Non-life segments. The settlement has also reduced the diversification benefits.
- The model for counterparty default risk has been extended and now includes, for example, cash at banks and policyholder debtors. This results in an increase, especially in the Health segment.

Economic capital by risk type

Market risk and insurance risk associated with Non-Life business dominate Economic Capital. Market risk reflects the net exposure to the capital markets. This includes equity, property, spread and interest rate risk. Non-Life insurance risk concerns mostly the exposure to European storm risk. Eureko has chosen to arrange reinsurance up to the 99.5% confidence level. The gap between the 99.5% and 99.95% confidence level, which is quite substantial, is retained within Eureko.

ECONOMIC CAPITAL BY RISK TYPE AT 99.95%

	2010 YEAR-END	2009 YEAR-END
Market risk	34%	37%
Insurance Non-life risk	24%	24%
Insurance Life risk	18%	18%
Counterparty default risk	12%	8%
Operational risk	5%	6%
Insurance Health risk	4%	3%
Insurance Disability risk	3%	4%

The Solvency II development laid down in the QIS5 model, has led to a reclassification of risks. Last year's credit risk was split into counterparty default risk and spread risk. The latter is now part of market risk and is the risk resulting from the level and volatility of credit spreads. Market risk decreased relatively. This is because the decrease resulting from settlement of the PZU agreement surpassed the increase due to the inclusion of spread risk. Counterparty default risk increased significantly due to the inclusion of the risk on banks, agents, policyholders and other counterparties.

Demonstrating compliance

Increasingly, the market not only requires us to be compliant, but we have to be able to demonstrate that compliance transparently. The role of regulators and the regulatory environment are changing. To remain compliant it is necessary to be on top of all changes. We have set the bar high when it comes to complying with both national and international regulations and codes of conduct. Eureko's compliance department plays a key role here. In 2009, we began to integrate and embed compliance measures into our operational processes. This involves regular testing of processes against compliance norms per business activity. In 2010, we further developed this process so that it is easier to gain insight into how our compliance works and how compliant we are. By the end of 2011, our aim is to show that all our risk and control measures are full compliant. Good relations with the regulatory authorities are high priority for us. In addition to required reporting, we work intensely with the regulators on specific studies and research; in 2010, there were over 30 projects in a wide variety of areas, such as internal control or policy on public information. We believe our relations with regulators are sound.

RISK MANAGEMENT

INSURANCE RISK	
The risk of a change in value due to a deviation of the actual claims payments from the expected claims payments and encompasses life risk, non-life risk, disability risk and health risk. Catastrophe risk and concentration risk, if present, are included separately in the risk types mentioned.	**Main drivers** • Longevity: The risk that people live longer than expected which is especially relevant for our savings, pension, annuity products in our life business and in our disability business. • Mortality: The risk that people live shorter than expected which is especially relevant for our whole life and risk products in the life business. • Lapses: The risk that lapses, terminations, renewals and surrenders of products are different than expected. • Premiums and reserves: The risk that premium levels are not sufficient to pay out all future claims plus the risk that reserves are not sufficient to pay current claims. • Expenses: The risk that the timing and/or the amount of expenses incurred differs from those expected. • Catastrophes: The risk that a single event, or series of events, of major magnitude, leads to a significant deviation in actual claims.
	Risk control and mitigation • Underwriting procedures are in place which are reviewed regularly based on statistical analyses. Insurance risks are balanced across the portfolio because we offer a range of different products. • A product development policy is in place for the introduction of new insurance products. • The insurance liabilities are tested for adequacy at least quarterly and more often if considered necessary. • To diversify the mortality risk part of the life portfolio is reinsured through quota share contracts on a reciprocal basis . • Catastrophe risks and large individual risks are covered in reinsurance treaties.

OPERATIONAL RISK	
The risk of loss arising from inadequate or failed internal processes, or from personnel and systems, or from external events.	**Main drivers** • Internal fraud: Risk of deliberate action by one or more persons from management, the governance bodies and/or staff, whether or not in collaboration with a third party, with the intention to benefit and/or enrich him/herself or other(s). • External fraud: Risk of fraud or threat by (potential) customers and fraud or threat by other third parties, such as suppliers and service providers with no involvement of employees. • Execution, delivery & proces management: Risk of losses from failed transaction processing or process management, from relations with trade counterparties and vendors. These risk events are not intentional and are generally related to back-office activities. • Clients, products and business practices: Risk of losses arising from an unintentional or negligent failure to meet a business practices professional obligation to specific clients, or resulting from the nature or design of a product. • Employment practices and workplace safety: Risk of losses arising from acts inconsistent with employment, health or safety laws or agreements, from payment of personal claims, or from diversity / discrimination events • Damage to physical assets: Risk of losses arising from loss of or damage to physical assets from assets natural disaster or other events. • Business disruption and system failure: Risk of losses arising from disruption of business or system failures.
	Risk control and mitigation • Risk Self Assessment policies were further strengthened in 2010. • An Internal Control Statement (ICS) is compiled providing a fair view of Eureko's risk exposure and level of control. • Risk sensitive capital steering is being developed based on internal and external loss data, operational risk scenarios and key risk indicators. • Special policies in place for specific risks, such as business disruption and system failure, that are evaluated and tested during the year.

RISK MANAGEMENT

MARKET RISK	
The risk of possible losses, i.e. decrease in the market value of the Net Assets, due to unexpected changes in the financial markets and encompasses interest-rate risk, equity risk, spread risk, property risk and currency risk.	**Main drivers** • Changes in investments, intangible assets and embedded options in insurance products due to unexpected changes in the financial markets. • Unexpected changes can be caused by changes in, for example, equity prices, interest rate levels, credit spreads, real estate prices and exchange rates. Credit spread deals with the creditworthiness of the investment. **Risk control and mitigation** • Asset and Liability Framework (ALM) consisting of setting and periodic monitoring of strategic investment mix in line with Eureko's risk appetite and policies. • ALM studies to decide on investment portfolio composition and asset classes. • Interest rate risk of investments and liabilities of insurance entities is managed on an economic basis using different scenarios for parallel shifts in the interest rate curves. • Interest rate risk onbanking products is measured and controlled by Value at Risk and Income at Risk measures and mitigated mainly by derivatives.

LIQUIDITY RISK	
The risk that actual and potential payments and collateral obligations cannot be met when due. Eureko distinguishes between market liquidity risk and funding liquidity risk.	**Main drivers** • Market liquidity: The risk that the organisation cannot easily offset or eliminate a position at the market price because of inadequate market depth or market disruption. • Funding liquidity: The risk that the organisation will not be able to meet efficiently both expected and unexpected current and future cash flows and collateral needs without affecting daily operations or the financial condition of the organisation. **Risk control and mitigation** • Funding strategy is based on assuring access to international capital and credit markets at low cost. Each Division, Operating Company or Service entity is responsible for funding its own activities. Access to capital and credit markets are arranged at Holding level. • Liquidity planning at both subsidiary and Holding level as part of business planning. Updated at least monthly. • A "liquidity barometer" for the Group calculates and tests all assets, liabilities, off balance sheet exposures and cash outflows under stress scenarios. • A liquidity contingency plan describes possible actions and sources of funds. • Specifically for our banking activities, liquidity risk managed at three different levels, short-term (overnight to one month), imedium-term (one month to two years) and long-term. Frequent stress tests for banking activities and adequate contingency planning in place.

COUNTERPARTY DEFAULT RISK	
The risk of loss due to unexpected default, or deterioration in the credit standing (i.e. migration), of counterparties and debtors of insurance and reinsurance undertakings.	**Main drivers** • Failure of a counterparty or debtor to fulfil its contractual obligations. With respect to our banking activitities this also refers specifically to our mortgage lending activities. • Detoriation in the credit standing of the counterparties of debtors of Eureko. **Risk control and mitigation** • A comprehensive group-level counterparty policy has been developed during 2010. At the heart of this policy is a rating-based system of exposure limits per counterparty. Furthermore this policy makes explicit the processes for initiating transactions with new counterparties, the limit distribution, limit control and limit revision within Eureko.

HUMAN RESOURCES

Insurance is a people business. It is about empathising with customers and delivering consistently on their expectations. That is what our employees do, every day. Eureko's job as employer is to make sure our organisation remains the best place to work. That is what we have to do, every day.

GOALS 2011 AND BEYOND

- Focus on leadership and talent development, also by investing 3% of total salary costs in training
- Further reinforce innovative employership so that Eureko remains great place to work

There are many reasons why Eureko aims to be a preferred employer. One is the growing scarcity on the labour market as demographics change. Employers will have to compete for the best people more fiercely than at any time in the past. But equally important is that employees are one of Eureko's four key stakeholder groups. We believe this and our cooperative background gives us a unique advantage in attracting and retaining the most customer-oriented and innovative employees. As an organisation, we are grounded in a long tradition of social cohesion, solidarity. At Eureko, insurance is about customers, about offering a fair product that they need for a reasonable price. That takes a certain kind of employee. As employer, our task is to create a strong, stimulating and innovative working environment. We have to help our employees fully develop their potential and skills. And we have to offer them a sound work-life balance so that they can perform for our customers. In 2010, we ranked as the number two best place to work in the Netherlands. We won the first place for best employer in both the financial and insurance categories.

Employee Satisfaction

For our employees, supporting customers in making the right choices or when they have a claim can be highly satisfying. It adds to significant increases in employee satisfaction scores. Response to the annual Employee Satisfaction Survey was the highest ever in 2010. Our point of departure is that employees will only take Satisfaction and Commitment Surveys (ESCSs) seriously if there is a clear response to findings. What Achmea has done in the past few years is to take the most salient critical responses and translate them annually into clear action plans. The results of action are then measured in subsequent ESCSs. Overall, we believe this approach has led to the steady increase in the general response to our surveys. In 2010, it was up to 85% (2009: 79%), with many major business operations scoring 90%+. One of our goals for 2010 was to increase the score on employee 'commitment to Achmea' to 70%. This goal was achieved. For 2011, action points have already been identified. These are: Further strengthen commitment to business-line goals; Deliver on trust behaviour; Place stronger emphasis on the 'innovation' core value; and more sustainable deployment and development of employees. In 2010, Achmea and the University of Utrecht co-developed an Employee Stakeholder Value Management indicator. This measure focuses specifically on issues of primary importance to personnel. It was integrated into the ESCS. The focus point for the coming year on sustainable deployment and development is a direct result of this measure. We have already made far-reaching agreements on job security and deployment in the new Collective Labour Agreement (in Dutch: CAO). Absenteeism, usually considered a significant indicator of employee satisfaction, deteriorated slightly from 4.2% in 2009 to 4.3% in the reporting year.

Making changes

The level of employee satisfaction is gratifying. We are in a major continual improvement process and this process will, potentially, become an enduring state within Eureko. The process is known as SENS. Employees work together to streamline processes so that they function from a customer

HUMAN RESOURCES

perspective. We are making these changes in direct response to a number of key developments in our working and industry environment. As an organisation, we are becoming more (cost) efficient and effective. We want to embed customer orientation even more firmly into our processes. These actions make good business sense in a business environment that is changing rapidly. However, they will hardly be effective if our employees are not fully behind them, accelerating and driving our customer focus and operational excellence.

Developing skills

All our operations are working towards effective change. This means employees can be confronted with far-reaching differences in how processes are managed. We are centralising some of our operations in specific locations for greater efficiency. Furthermore, in 2008, we announced a structural decrease of 2,500 FTEs to be achieved by the end of 2011. Our employees can, therefore, also find their job changing radically, becoming redundant or moved to a different geographic location. Our Achmea Transfer Centre is responsible for finding new challenges for some of them, often within but sometimes outside Eureko. We aim for a positive reassignment percentage of 65%. In the reporting year, we achieved 67%.

Education and training

Training and the continual development of professional skills and talent must anticipate the future needs of our streamlined organisation. The Eureko Academy focuses on stimulating the exchange of knowledge and expertise. It also works with academic partners from around the world and with Eurapco partners, arranging workshops, meetings and seminars. We are working proactively to help employees acquire and retain relevant skills, also through the 'My Career' online platform. For this reason, 'employability' will be a focus point in 2011. In 2010, we accelerated the Management Development Programme by further reviewing and profiling every manager and specialist in the top 1,600. The end result is an Individual Development Path for all. As part of our goal of stimulating leadership and talent, we aim to spend at least 3% of salary costs on training. In 2010, this was 2.88% (2009: 2.68%).

Growing diversity

In a competitive environment, with an ageing and culturally diverse labour market, we aim to recognise and value the diverse qualities of individuals. Eureko employees increasingly represent the growing diversity in society. Our response is to nurture this diversity. We aim to create a working environment in which the rise through the organisation of, for example, women is self-evident. Although the percentage of women in senior and middle management positions increased in 2010, we take the view that too many of them are external hires and more needs to be done to improve upstreaming of our existing talent. At year-end 2010, there was an increase in the percentage of director-level positions held by women (24%, up from 23% in 2009). The Silver Pool was set up in 2009 by trades unions and our Central Works' Council to retain the skills and valuable experience of senior professionals for the organisation. These professionals are employed by Silver Pool and seconded throughout the Group.

Employee consultation

Works' Councils are in place in all individual business lines, operating companies and brands. In turn, their representatives make up the Central Works' Council (COR). This is a key body for Eureko and Achmea. Employees are a key stakeholder group and they have an important role to play in the continuity of the organisation. For example, the COR has nomination powers for the Group's Supervisory Board. The COR provides advice on important topics that affect the Group and its employees. We are proud of how well the COR functions. Major commitment is essential, especially in times of change. In 2010, the COR received a total of 26 requests for advice and requests for approval. These requests are published on the Group's intranet so that all employees can follow developments. There is also a forum option on the intranet that allows employees to discuss issues.

CORPORATE SOCIAL RESPONSIBILITY

Eureko sees working according to corporate social responsibility (CSR) principles as a logical extension of its cooperative identity. CSR policies are integral to achieving the strategic goals we have set as an organisation. They link to the stakeholder model – customers, employees, shareholders and business partners – at the heart of our business. Every year, we further embed CSR into our core businesses, our internal organisation and our responsible membership of society, based on the principles of integrity, duty of care and transparency, prevention and solidarity.

GOALS 2011 AND BEYOND

- Test all propositions against our identity norms
- Sustainable propositions in all product lines
- Research into how investment policy can be made even more sustainable
- Implement sustainability criteria in procurement
- Research strategic opportunities within micro-insurance

CSR IN THE MARKET

CSR or sustainable business practices is increasingly seen as both integral to and crucial for long-term continuity. As insurers in continual dialogue with customers, we are seeing a clear development towards demand for more sustainable products and services. Business customers especially want to know how we, as their insurer, are working with CSR. The advantages of a sustainable organisation are well known. Employees of sustainable businesses tend to be more motivated; absenteeism is lower. CSR-based companies are usually more innovative and have a more positive image in the market. As numerous studies have already shown, costs, after initial investment, can be positively impacted, for example through lower energy consumption. We are convinced that the way we work with CSR can ultimately help us achieve our goal of becoming the most trusted insurer.

CSR at work - what are we doing?

CSR policies, principles and actions firm up the strategic goals that the organisation has set for itself. In the Netherlands, specific action from a CSR perspective is, we believe, required on two goals: Setting the example in our market and taking the lead in solidarity. Both goals are increasingly integrated into CSR policies and activities throughout the Group. In the coming years, they will be the subject of dialogues with our main stakeholders. Policies are designed to cover all three of our operational fields: work, organisation and world. And the challenge is to ensure our CSR principles are drivers at all times. Our annual employee commitment survey shows an increase in key engagement targets, such as knowledge of Group policy and targets, and use of employee talents and skills. At Interamerican in Greece where we have been working on the same embedding of CSR policies into the organisation, the current economic, social and environmental crisis in that country has given us even more momentum. An employee satisfaction survey in 2010 showed significant levels of commitment from Interamerican's employees. At the same time, we are reporting to Global Reporting Initiative standard, a best practice that is gaining us further recognition in the market place.

Our work

In 2010, the Dutch Association of Insurers created a so-called Trust Mark for the insurance sector. Almost all our labels were able to achieve this Trust Mark. Achmea aims to 'set the example in the market'. Point of departure is the delivery of products and services that the customer understands, that he or she needs and for a fair price. In short, products and services whereby the customer feels well insured. We want to be able

CORPORATE SOCIAL RESPONSIBILITY

to apply this point of departure to all our activities. That is why we have developed a framework of norms against which we test all our propositions. This helps us give real significance to our concept of sustainable insurance. The framework of norms determines the standards both existing and new products must meet. Products that do no meet these requirements are adjusted to the customer's advantage. In 2011, we will begin adjusting existing products.

Enhanced engagement on investments

Eureko is most popularly known as an insurer. However, a core activity is investment of the premiums customers entrust to us. So, for Eureko as major institutional investor with an investment portfolio of around €64 billion, investment is a core process. The choices made in this process can influence the behaviours of the companies/countries where we invest. Integration of CSR in the selection of investments means that the four principles - integrity, duty of care & transparency, prevention and solidarity - are structurally anchored and embedded into these core processes. They become an intrinsic part of how we do our work. We have opted to exclude manufacturers of controversial weapons. Furthermore, we require specific sustainability and CSR commitments. In 2010, we took next steps in making our investment portfolio more sustainable. A start was made on the structural integration of ESG factors in the fundamental investment process, i.e. in the selection of individual investees. We will be further incorporating this integration in the coming years. An important part of our investment strategy is the 'enhanced engagement' philosophy . This implies that we include predefined environmental, sustainability and governance (ESG) criteria in our investments. As shareholder (and, from 2010, also as bond holder), we enter into dialogues with companies. If the dialogue is not successful within three years, we exit the company involved. This enhanced engagement was launched at the start of 2008 in close cooperation with our asset managers F&C Asset Management and Robeco. As a result we will be reviewing our investment portfolio in 2011 based on dialogue criteria.

Eureko as employer

New ways of working, diversity policies, re-integration of ill employees and career options for women – these are all components in CSR thinking at Eureko. We are also working on ways to create working conditions and an environment that will facilitate and enable volunteering and informal care. For more on Eureko as employer, see Human Resources.

Our organisation

As business managers, we have merged CSR into our internal processes. This ensures the systematic growth in sustainability of the essential facilities we need to do our work, such as energy, mobility, waste disposal, paper use, water use, office construction and renovation and the purchase of office and other supplies. We have started to make our procurement policy more sustainable. In the Sustainability Statement that, from 2011, we will require all suppliers to sign, our expectations are set out clearly. We expect them to support us in our ambitions on corporate social responsibility and sustainable entrepreneurship. The next step, that will also be taken in 2011, is the further elaboration of the requirements that must be met by the e-products we purchase. We will also be rolling out the ways we will measure and monitor sustainability in our partners.

Changing climate

Eureko also aims to actively contribute to reducing the effects of climate change. We can have most impact on our own footprint, including the design of our products. Furthermore, we require environmental commitments from the companies we invest in. In our own organisation, we are committed to minimising our footprint. In the Netherlands, we have already made the move to 'green' energy; our aim is to be CO2 neutral by 2012. We are investing in energy-saving in our offices, including recycling almost all (98%) materials from demolitions or renovations of existing buildings. New builds incorporate energy-efficient climate control, motion detection and automated heating and lighting regulation. Furthermore, our fleet manager,

CORPORATE SOCIAL RESPONSIBILITY

Wagenplan, was the first CO2 neutral fleet manager in the Netherlands some years ago. In Greece, we implemented a Green Office Plan to restrict our corporate footprint through paper recycling and actions to reduce electricity and water consumption. Our goal is to extend this programme and the 'Energy Line' of insurance products to customers. Interamerican Property & Casualty already offers a unique cover for environmental impairment liability under the Green Line label to business customers. Green Line was awarded the prestigious Greek Business Award for the Environment in the ecological products category for 2010 - a pan-European competition sponsored by the European Union. Renewable energy is another insurance opportunity for us.

Our world

Eureko is a socially-committed enterprise. Based on our cooperative identity, we aim to stimulate and maintain solidarity in all its forms. That can mean working proactively to counteract the erosion of solidarity in our health system or providing (in)direct support to social initiatives at home and abroad. Solidarity is defined at Eureko as connection and inclusion, both socially and financially. A new initiative in the Netherlands in 2010 is the partnership with Resto VanHarte that organises meals for disadvantaged people throughout the country. In Greece, we are working closely with Medecins du Monde (MDM) on a healthcare plan for Roma children.

Vereniging (Association) Achmea in society

Vereniging Achmea is an association for and by our customers that is also our biggest shareholder and acts as a guardian of our cooperative tradition. It guarantees our continuity and forms a platform for the interests of customer members. Customer members are all companies and individuals over the age of 18 who have bought one or more policies from any of Achmea's labels. This gives Eureko and Achmea a unique structure. As part of its commitment to the interests of customers, the Association is closely involved in social issues and initiatives through a range of member, policyholder and advisory bodies. Moreover, it takes initiatives; for example the town hall meetings it organises for its grass-roots membership. The idea is to create a forum for discussion on key social issues, such as raising the retirement age to 67 and new initiatives in healthcare.

Micro-insurance in our world

Micro-insurance is an activity where we can really add value and distinguish Eureko Achmea as a knowledge leader. It has a direct link to Achmea's origins and is an inspiring way to explain the importance of solidarity and how enlightened self-interest forms the basis for cooperative insurance. Our micro-insurance activities mesh with Eureko's strategy, both on the choice of country and the product development. Micro-insurance is fast coming to symbolise Achmea's goal to be the most trusted insurer by demonstrating solidarity and inclusion. It is also a way to reinforce employee commitment. Major micro-insurance projects require us to work closely together. They inspire corporate pride by enabling us to transfer knowhow. A clear common goal reinforces employees equally clear need for a sense of purpose. Achmea takes its place as industry leader by showing how practical knowledge and skills can be transferred and supported on the spot. This reinforces Achmea's preferred employer goals and its corporate reputation. In 2010, we initiated a number of new projects, including the introduction of cooperative micro-insurance into existing projects. Examples include the DHAN Foundation in India through which almost one million people have been insured (health, life, crop and climate) and harvest insurance in Senegal. With the Red Cross and Rabobank, we are supporting a project in the Indonesian capital. Through insurance, four poor areas of Jakarta are better able to deal with the effects of climate change. In Cambodia's Pearang district, we have set up a health plan in cooperation with Healthnet TPO and other charities.

The Eureko Achmea Foundation

This independent charitable Foundation was set up in 2006 as a way for us to give back to both the national and

CORPORATE SOCIAL RESPONSIBILITY

international community. Its funding comes from Eureko which provides 0.5% of net profit. Funding projects is the Foundation's primary task. For example, the Foundation is currently supporting a number of initiatives in Greece, including a health plan for the elderly. Donations are monitored to ensure they are used effectively. During the reporting year, Intrac monitored and evaluated seven completed projects. Similarly to 2009, the results were positive. A copy of the Eureko Foundation's annual report with a full overview of its projects can be downloaded at www.eurekoachmeafoundation.nl.

Eureko also funds a second independent charitable foundation. The Achmea Victim Support and Society Foundation's task is to undertake scientific and academic research on how best to provide support to all manner of victims. Whether people are the victim of crime or, for example, a natural disaster, the Foundation aims to not only develop support structures but also to implement these. In this way, Eureko helps people in practical ways.

CORPORATE GOVERNANCE

Eureko B.V. is a private company with limited liability. Its statutory seat is in Amsterdam and head offices in Zeist, both in the Netherlands. Although in real terms Eureko is governed, organised and managed in the same way as many listed organisations, its cooperative origins contribute to the way governance is structured at Supervisory Board and shareholder level. From 31 December 2010, the two major shareholders, Vereniging Achmea and Rabobank, concluded a set of governance arrangements as part of their new Strategic Partnership Agreement. Governance arrangements at Supervisory Board level and on the Coordination Committee were replaced by certain shareholder rights so that the Supervisory Board's independent role is strengthened.

Corporate Governance Code

From 2004, the Dutch Corporate Governance Code (the Code) became applicable for all listed companies in the Netherlands. The Code sets out clear governance principles on a 'comply or explain' basis.
Although Eureko is not a listed company, it has adopted and embedded the majority of the Code principles in its governance structure. Where appropriate, principles and best practices are adhered to on, for example:

- The Executive Board's role and procedures;
- Remuneration;
- The role of and relationship with the Supervisory Board;
- Expertise and composition of the Supervisory Board;
- Shareholders and other stakeholders;
- Conflicts of interest;
- The principles on financial reporting and audit.

Eureko, however, deviates from the Code in, for example :

- The duration of the appointment of members of the Executive Board: the Code advises four-year periods. Given that Eureko Executive Board members are recruited primarily from within the organisation and given the Group's long-term horizon, a formal four-year term is not considered appropriate.
- Eureko does not publish individual remuneration of Executive Board members. This has always been policy and we maintain that consistency of policy.
- Appointment of members of the Supervisory Board: members of Eureko's Supervisory Board are nominated by the shareholders and the Central Works' Council (COR). Some members of the Supervisory Board are also board members of Vereniging Achmea or Supervisory Board members of Rabobank. This is considered highly appropriate for Eureko due to its cooperative identity and the relationship with shareholders whose focus is more on client interest and the continuity of Eureko, as opposed to purely on shareholder value and who can also be seen as representing customers. Although Supervisory Board members are nominated by individual shareholders and/or the COR, they are ultimately appointed by the General Meeting of Shareholders based on their expertise and independence.

For a description of compliance with risk-assessment principles and best practices, please see the 'Risk Management' section. The way in which Eureko has adopted and embedded the Corporate Governance Code has been discussed with and approved by the Supervisory Board. The General Meeting of Shareholders has also approved Eureko's current corporate governance structure.

Governance principles

When Eureko's Dutch activities, Achmea, merged with Rabobank's insurer, Interpolis, in 2005, the Group further adopted new Corporate Governance Principles. These were aimed specifically at the post-merger divisional structure and the accountabilities and responsibilities of each division, staff department and the Executive Board. A Coordination Committee was also established at that time. As per 31 December 2010,

CORPORATE GOVERNANCE

HOW WE ARE GOVERNED

Eureko and its main shareholders, Vereniging Achmea and Rabobank, concluded new governance arrangements as part of a new strategic alliance that includes a reduction of Rabobank's holding in Eureko from 39 to 29%. Other shareholders supported this development unanimously. Vereniging Achmea and Rabobank now both have a casting majority vote on strategic issues in the shareholders' meeting. The Coordination Committee has ceased its activities and has been dissolved.

Regulator governance review

During the reporting year, the Dutch Central Bank (DNB) carried out governance reviews of all financial institutions, including Eureko. The DNB made a number of recommendations including adjustments to the way both the Supervisory and Executive Boards' functioning is evaluated and on the governance of Dutch legal insurance entities. These recommendations have largely been or are being implemented, such as enhanced procedures for evaluation at both Supervisory and Executive Board levels and by reducing the number of legal entities.

Transparency directive

The European Union directive on transparency was included in the Dutch Financial Supervision Act (Wft) on 24 December 2008 with immediate effect. From 2008, all annual reports and financial statements must meet the directive requirements. Eureko has adjusted its annual financial reporting accordingly. In addition, tighter publication timing was required. For the 2009 annual report, publication processes were adapted to better meet these requirements; for 2010, timing has been further tightened. The Transparency Statement is published in the annual report; the required description of Eureko's main risks and uncertainties is included in the risk management section.

Eureko's shares

Our main shareholders are unlisted European companies and associations with cooperative roots. Dutch customers are represented in Eureko's largest shareholder, the Vereniging (Association) Achmea through the Stichting Administratiekantoor Achmea (STAK). The STAK is the shareholder that has, in its turn, issued depository receipts to Vereniging Achmea. Rabobank, the largest bank on the Dutch market, is Eureko's second largest shareholder; it is also a cooperative association. At year-end 2010, Vereniging Achmea and Rabobank hold a total of 94.6% of the ordinary shares.
The table shows the authorised and issued share capital by type of share at 31 December 2010. Each share has a nominal value of €1.00.

SHAREHOLDERS 31/12/2010* CAPITAL RIGHTS OF ORDINARY SHARES (%)

Vereniging Achmea (directly and via STAK)	63.3%
Rabobank	31.3%
BCP Group	2.7%
LF Liv Forsakringsab (publ)	0.5%
LF SAK Forsakringsab (publ)	0.4%
Gothaer Allgemeine Versicherung A.G.	0.5%
Gothaer Finanz Holding A.G.	0.6%
Schweizerische Mobiliar Holding A.G.	0.7%
Total	**100%**

*Legal transfer of shares (33,292,914) between Rabobank and Vereniging Achmea took place on 2 March 2011.

AUTHORISED CAPITAL (NUMBER OF SHARES)

	2010	2009
A share	1	1
M shares	10,000,000	10,000,000
Ordinary shares	1,499,999,999	1,499,999,999
Preference shares	60,000,000	60,000,000
Total	**1,570,000,000**	**1,570,000,000**

HOW WE ARE GOVERNED

Following the new governance arrangements between Eureko, Vereniging Achmea and Rabobank and the necessary amendments of the Articles of Association to embed these arrangements therein, the authorised share capital was increased. The M share has been abolished as it had no further relevance. The deed of amendments of Articles of Association was executed on 2 March 2011.

ISSUED CAPITAL

(NUMBER OF SHARES)

	2010	2009
A share	1	1
M shares	0	0
Ordinary shares	408,884,541	408,884,541
Preference shares	23,904,060	23,904,060
Total	**432,788,602**	**432,788,602**

The main shareholder, through STAK, is Vereniging Achmea. Vereniging Achmea is a legal entity that has members and its role is to represent the collective interests of our customers and policyholders, a primary stakeholder group for Eureko. Vereniging 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. In 2010, member involvement has been further expanded through activities, such as themed meetings and specific services, for customer-members.

As per 31 December 2010, Vereniging Achmea, through STAK, holds 63.3% of the ordinary shares (2009: 55.20%) and the 'A' share. STAK's shareholder rights in Eureko are executed by its board, consisting of the chairman and two vice-chairmen of the board of Vereniging Achmea.

At year-end 2010, Rabobank held 31.3% (2009: 39.43%) of the ordinary shares. Due to requirements imposed by Basel III, Rabobank has opted to reduce its stakeholding in Eureko over time to under 30%. For more on this process, please see the Chairman's Statement and the Supervisory Board Report. Other shareholders are the BCP Group, LF Liv Forsakringsab, LF SAK Forsakringsab, Gothaer Allgemeine Versicherung, Gothaer Finanz Holding and Swiss Mobiliar, and with the exception of BCP Group, all members of the Eurapco Alliance of independent European financial services providers (for more information, see www.Eurapco.com). In late 2010 and subject to approval by the General Meeting of Shareholders of Eureko, the BCP Group (Bitalpart B.V.) indicated it would transfer its shareholding to the BCP Group Pension Fund. It has been agreed between Eureko and the BCP Group that principal goverance entitlements will remain between these two entities. Besides ordinary shares, 5.52% of Eureko's entire issued share capital is in preference shares, for which share certificates are issued to investors.

General Meeting of Shareholders

In addition to the Annual General Meeting of Shareholders (AGM), extraordinary meetings can be called based on legislation, Articles of Association and corporate documentation if deemed necessary and can also be convened by a shareholder with more than 10% of voting rights. Due to the legal structure regime that applies to Eureko, the power of the General Meeting (GM) is constrained; based on legislation and corporate agreements certain responsibilities are allocated to the Supervisory Board. Nevertheless, shareholder approval is required for primarily corporate decisions, such as amendment of the Articles of Association; adoption of the Financial Statements, including profit allocation and dividend; decisions on share issues or on the granting of rights to subscribe for shares (or to designate the Executive Board to resolve such issues or grants); reduction of the share capital of Eureko; appointment and dismissal of members of the Supervisory Board; and decisions to dissolve, merge or divide Eureko. As a result of the new strategic agreements between Rabobank, Vereniging

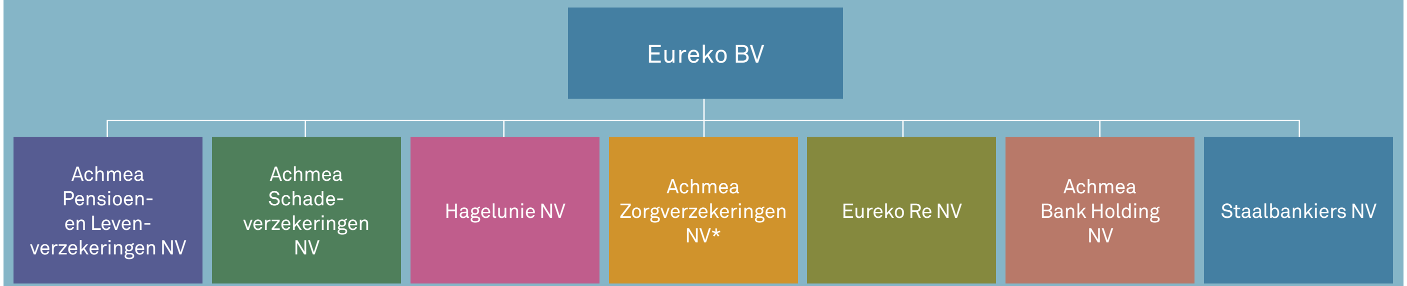
CORPORATE GOVERNANCE

HOW WE ARE GOVERNED

HOW WE ARE ORGANISED

Eureko has grown out of numerous mergers over time. This resulted in a complex legal and organisational structure. Reduction of complexity is a strategic priority for the Group and structure was addressed in 2010, which resulted in a merger of our three major life insurers into one and two non-life businesses into one as from 1 January 2011. Both mergers resulted in a material capital relief under Solvency I (life only) and Solvency II.

SIMPLIFIED LEGAL STRUCTURE OF DUTCH ENTITIES UNDER REGULATORY AUTHORITY AS PER 1 MARCH 2011



*The umbrella for a number of brand-specific basic health insurance companies.

Achmea and Eureko, it has been decided to adjust the Articles of Association. The new Articles of Association require that fundamental and large-scale strategic changes or investments must also have the approval of 80% of the votes in the GM. Three extraordinary GMs were convened in 2010. Topics included the proposed new strategic partnership with Rabobank, the intended merger with health-insurer De Friesland Zorgverzekeraar and a new appointment to the Supervisory Board.

Voting rights

Additionally, specific rights are attributed to the A shareholder, Vereniging Achmea, including the right to make a non-binding nomination to the Supervisory Board for the appointment of members of the Executive Board, the approval of a decision on dissolution, merger and division of Eureko, and the issuance and transfer of shares in Eureko. The holders of depository receipts issued on the A share and the preference shares are entitled to attend the GM but they do not have any voting rights. This provision, however, does not apply to holders of a right of usufruct and holders of a right of pledge with voting rights. Shareholders and holders of depository receipts can be represented by written proxy. Members of both the Executive Board and Supervisory Board are authorised to attend GMs; they have an advisory and informative role at these meetings.

Dividend policy

The distribution of profits is laid down in article 34 of Eureko's Articles of Association, described in the section 'Other information'. Dividends are due and payable four weeks after the GM has declared them (unless any other date is determined). The Executive Board can propose that the GM resolve that distributions shall be made in whole or in part in a form other than cash. The GM may

HOW WE ARE GOVERNED

resolve to distribute all or part of the net result. Interim distribution can be effected if the GM so decides, following a proposal by the Executive Board. Eureko's dividend policy is described more fully and in more detail in 'Capital and Liquidity Management'.

The Supervisory Board Accountabilities

Eureko's Supervisory Board is responsible for supervising the Executive Board's conduct and general management of the business. The Supervisory Board and its individual members have a responsibility to obtain all relevant information needed to perform their duties. These needs are made known to the Chairman of the Supervisory Board. Usually, sources are the Executive Board, the Company Secretary and external auditors. However, if deemed appropriate by the Supervisory Board, information can be obtained from corporate officers and external advisors who can be invited to attend Supervisory Board meetings.

Governance role

As described above, due to the legal structure regime that applies to Eureko, and on the basis of the Articles of Association and corporate agreements, the Supervisory Board plays an important role in Eureko's governance. Supervisory Board approval is required primarily for important business-related decisions, such as appointment and dismissal of members of the Executive Board, strategic decisions, transfer of a significant part of the business, entering into or terminating a long-term cooperation, large participations and investments, and termination of the employment of a considerable number of employees or significant changes in the employment conditions of a significant number of employees. This applies irrespective of the fact that fundamental and large-scale strategic changes or investments must have the approaval of 80% of the votes in the GM.

Composition

The Supervisory Board currently has 11 members. The composition of the Supervisory Board and nominations for vacancies reflect the cooperative shareholder structure and employee participation through Eureko's Central Works' Council (in Dutch: COR). Supervisory Board members are nominated by this board and appointed by the GM. Vereniging Achmea is entitled to nominate candidates for six seats in the Supervisory Board and nominates the chairman. Rabobank may nominate candidates for three seats.At present, four members have been nominated in joint consultation between Vereniging Achmea and the COR. This is within the legal framework of the COR's enforced recommendation right. In their turn, Supervisory Board members individually participate in a meeting of the COR at least once a year. At present, other shareholders are jointly represented with one seat. Profiles, based on requisite expertise, can be reviewed on the website. Any proposed changes to the composition of the Supervisory Board are submitted to the GM and discussed with the COR.

Supervisory Board committees

In line with the Dutch Corporate Governance Code, the Supervisory Board has three dedicated committees that advise the full Supervisory Board: the Audit & Risk Committee, the Remuneration Committee, and the Selection & Appointment Committee. All Supervisory Board members receive the minutes of the individual committee meetings. Financial, audit, risk and compliance issues are discussed in the Audit & Risk Committee. Audit & Risk Committee meetings are always attended by the CFO; the Chairman of the Executive Board; the directors of Internal Audit, Strategy & Performance and Risk Management; and the external auditors. Other directors, e.g. of Reporting, Compliance and Balance Sheet Management, are regularly invited to be present when their reports are discussed. Meetings between the Audit & Risk Committee and the external auditor take place at least once a year. For further information, see also the 'Supervisory Board Report' section.

HOW WE ARE GOVERNED

The Executive Board Composition

Members of the Executive Board are appointed by the Supervisory Board at the non-binding nomination of the A shareholder. The Executive Board can have a maximum of 10 members. All Executive Board members have been selected based on their proven experience and competence in managing a financial services company. All Eureko Executive Board members have been assessed by the Dutch supervisory authorities.

Accountabilities

The Executive Board is responsible for managing Eureko B.V.'s business. It is responsible and has decision-making power for managing the day-to-day business of Eureko in accordance with the principles set out in the Articles of Association. The Executive Board has a comprehensive charter that covers the duties, activities and allocation of tasks to individual members, as well as the decision-making process within the Executive Board. The Executive Board is obliged to notify the Supervisory Board in case of any fundamental differences of opinion between the Executive Board and boards of Eureko companies or entities – there were no fundamental differences in 2010. It reports directly to the Supervisory Board. In principle, the Executive Board meets at least weekly. Each member has direct responsibility for specific Eureko activities (please see 'Executive Board' biographies), with clear reporting lines from divisional and staff directors. The full Executive Board is involved in risk management – risk is Eureko's business. This involvement is shown by the commitment from three Executive Board members in the Finance & Risk Committee and a full Executive Board meeting on risk every quarter. The Finance & Risk Committee, started in January 2010, replaced all former risk-management committees.

SUPERVISORY BOARD

Arnold H.C.M. Walravens (1940)

Chairman, Dutch nationality, was re-appointed in 2008.

His current term expires in 2012. Mr Walravens is also a member of the Supervisory Board of Rabobank Nederland and Chairman of the Supervisory Board of Sneep Industrie B.V. In addition, he is Vice-Chairman of the Board of Directors of Vereniging Achmea, holds various other positions within Eureko and is a member of the Business Board of Atag B.V. He is a retired professor from Delft University.

Marinus Minderhoud (1946)

Vice Chairman, Dutch nationality, was re-appointed in 2008.

His current term expires in 2012. Mr Minderhoud is a member of the Supervisory Board of Rabobank Nederland, Chairman of the Board of Vodafone International Holdings B.V. and Vodafone Europe B.V., and Chairman of the Agis Supervisory Board.

Urs Berger (1951)

Swiss nationality, was appointed in 2009.

His current term expires in 2013. Mr Berger is CEO of the first private insurer in Switzerland, the Swiss Mobiliar Group. A full-service insurer, Swiss Mobiliar is the market leader in Switzerland for household contents insurance, and term life insurance, as well as for the re-insurance of pension funds. Mr Berger holds a number of executive positions, including membership of the Executive Board of the Swiss Insurance Federation. From 2003, Mr Berger has been a member of the Supervisory Board of EurAPCo A.G., an alliance of independent European financial services industry companies active mainly in insurance and he became its President in January 2009.

Bernard Bijvoet (1940)

Dutch nationality, was appointed in 2009.

His current term expires in 2013. Mr Bijvoet has a background in the agricultural sector and was active as Chairman of the Executive Board at the Dutch cooperative dairy company, Campina. Mr Bijvoet also serves on the Supervisory Board of Rabobank Nederland. He previously served on the Supervisory Board of the Dutch energy company, Essent.

Flip J.F. Buurmeijer (1940)

Dutch nationality, was appointed in 2008.

His current term expires in 2012. A long-time member of the Dutch parliament, most recently he has chaired a number of social-services and care-related bodies, including the Centre for Care Assessment Board and the Supervisory Committee of GGZ Dimence. He holds a number of supervisory positions, including at Alexander Calder Holding, Sallcon (Sheltered Employment), Matchcare and SV Land / SV Support.

Erik A.J. van de Merwe (1950)

Dutch nationality, was re-appointed in 2010.

His current term expires in 2014. Mr van de Merwe holds various Supervisory Board positions, including Chairman of the Supervisory Board of Fornix Bio Sciences and Welke Beheer B.V. He is also the Non-Executive Chairman of GWK Travelex. Furthermore he is a member of the Advisory Board and Chairman of the Audit & Risk Committee of the Dutch Burns Foundation, jury member of the Sijthoff Award and member of the Arbitration Committee Dutch Security Institute. In addition, he is member of the Board of Directors of Vereniging Achmea, Chairman of the Supervisory Board and Audit & Risk

SUPERVISORY BOARD | BIOGRAPHIES

Committee of Achmea Bank Holding N.V. and Staalbankiers N.V. and a member of the Supervisory Board and Audit & Risk Committee of Rabobank Nederland. He is also a member of the "Curatorium Corporate Governance" of the "Vrije Universiteit" and a member of the Advisory Board of IIA and Euro Tissue Bank.

Paul F.M. Overmars (1945)

Dutch nationality, was re-appointed in 2009.

His current term expires in 2013. Prior to his retirement in 2004, Mr Overmars was CEO of Achmea and Vice Chairman of the Executive Board of Eureko. As from 31 March 2010, he was appointed Chairman of Vereniging Achmea. In addition, he is Chairman of the Eureko Achmea Foundation. Until 17 June 2010 he was a member of the Supervisory Board of Rabobank Nederland. Until mid-2005, he was Chairman of the Board of the Dutch Association of Insurers and a member of the Management Board of VNO/NCW.

Henk J. Slijkhuis (1946)

Dutch nationality, was re-appointed in 2008.

His current term expires in 2012. Mr Slijkhuis is an independent farmer. He is Chairman of the Supervisory Board of Countus Accountants-en Belastingadviseurs and a member of the Board of Directors of Vereniging Achmea.

Aad W. Veenman (1947)

Dutch nationality, was appointed in 2009.

His current term expires in 2013. From 2002 through 2008, Mr Veenman was chairman and CEO of Dutch national railways, NS. Before joining the NS, he had a long career with the Dutch industrial enterprise, Stork, where he was CEO from 1998 through 2002. Until 17 June 2010, he was a member of the Supervisory Board of Rabobank Nederland. Currently, Mr Veenman is Chairman of the Supervisory Board of Gemeentelijk Vervoerbedrijf Amsterdam, Woning Corporatie Woonbron Rotterdam and Translink Systems. Additionally, he holds a number of supervisory positions including TenneT and Energie Centrum Nederland (ECN).

Antoon J.A.M. Vermeer (1949)

Dutch nationality, was re-appointed in 2010.

His current term expires in 2014. Mr Vermeer is co-owner of a dairy farm. He is Vice-Chairman of the Supervisory Board of Rabobank Nederland and Chairman of the Supervisory Board of Sovion N.V. In addition, he is a member of the curatorium of the ZLTO Chair Food, Farming and Agribusiness, Tilburg University and Chairman of the HAS Supervisory Board.

Bé J. van der Weg (1943)

Dutch nationality, was re-appointed in 2010.

His current term expires in 2014. Mr Van der Weg is also a member of the Board of Stichting PVF Nederland N.V., member of the Board of Directors of Vereniging Achmea and Chairman of the Board of Stichting Administratie Kantoor IMK.

Company Secretary: Wim Janssens
Deputy Company Secretary: Nynke Hupkens-Sipma

EXECUTIVE BOARD

From left to right: Jeroen van Breda Vriesman, Danny van der Eijk, Willem van Duin, Thomas van Rijckevorsel and Gerard van Olphen.

Willem A.J. van Duin (1960) Chairman of the Executive Board, Dutch nationality

Joined the Group in 1987. Held various positions at Holding level and in the Health, Broker and Direct-distribution divisions before being appointed to the Executive Board in 2004. After being appointed Vice-Chairman on 1 October 2008, he became Chairman of the Executive Board on 10 February 2009. In addition to his overall responsibility for Eureko, his core responsibilities include HR and MD policy, Communications policy, the Central Works' Council, Group Internal Audit Services and Group Compliance & Regulatory Affairs.
Besides supervisory directorships of a number of Eureko entities, he is a member of the board of the European Alliance Partners Eurapco. Furthermore, he is a member of the board of the Dutch Association of Insurers (Verbond van Verzekeraars), member of the boards of VNO-NCW and Nationale Cooperatieve Raad. Mr van Duin is also a board member of a number of charitable foundations in the Netherlands.

EXECUTIVE BOARD | BIOGRAPHIES

Gerard van Olphen (1962) Chief Financial Officer and Vice-Chairman, Dutch nationality

Following senior positions in insurance and finance (ABN Amro, Reaal Insurance, NIB Capital), 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. Subsequently, in mid-2008, he was again appointed CFO and, on 1 October 2008, Vice-Chairman of the Executive Board. His portfolio also includes PZU, Poland. He is a Supervisory Director of a number of Eureko entities. In April 2009, Mr van Olphen became Chairman of the Commission on Financial Affairs of the Dutch Association of Insurers and in May 2009 he was appointed Chairman of the ECOFIN committee of CEA, the European insurance and re-insurance federation.

Jeroen A.S. van Breda Vriesman (1967) Dutch nationality

After studying law at the University of Utrecht, he started his career at the ING Group. Within the ING organisation (Nationale Nederlanden) he fulfilled several management positions. In 2004, he joined Achmea as Chairman of the Occupational Health Division. From 2006 till September 2008 he was the Chairman of the Achmea Zorg (Health) Division. As of October 2008, he became a member of the Executive Board of Eureko. His core responsibilities include Health, Life and Pensions and Group Information Management and Technology. Mr van Breda Vriesman holds Supervisory Directorships of a number of Eureko entities. He became a Supervisory Director of the African Research & Resource Forum, Kenia, as of 2011.

Danny van der Eijk (1958) Dutch nationality

After obtaining his professional insurance qualifications, Mr Van der Eijk pursued an MBA at Henley (UK). He has worked in different positions in R&SA Benelux from 1984-2002, of which the last two years as CEO. Within Achmea he was a director of Avéro Achmea, Managing Director of Achmea Commercial lines and later Director of the Direct distribution division. He became a member of the Executive Board as of October 2008. His core responsibilities include the direct, broker and occupational health divisions and re-insurance, Group Communications, Corporate Social Responsibility and Group HR. He has special responsibility for corporate identity and the Non-life business. Mr van Eijk is a Supervisory Director of a number of Eureko entities. He chairs the Dutch Association of Insurers statistics committee and from 1 January 2011 is a member of the advisory board for NIBE SVV, the knowledge institute for the Dutch financial, insurance and investment sectors.

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

Joined ABN Bank after graduating in law at Leiden University. Moved to Rabobank Nederland in 1991. From 1994 to 2001 he was responsible for international private banking; from 2001 to 2004 for marketing for the individual Rabobanks; and between 2004 and 2008, he was head of the Private Clients Department, overseeing the bancassurance activities between Rabobank and Eureko/Achmea (including Interpolis). Appointed to the Executive Board as of 1 April 2008. Responsibilities include the Banking Distribution division, Division Europe, Achmea Bank and Staalbankiers. He is a supervisory director of Greenfee B.V. and the Veer Stichting.

TRANSPARENCY STATEMENT

STATEMENT OF THE EXECUTIVE BOARD OF EUREKO B.V.

The Executive Board of Eureko B.V. is responsible for the preparation of the Annual Report 2010, including the Consolidated Financial Statements 2010. The Consolidated Financial Statements 2010 are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The Company Financial Statements 2010 and Executive Board Report 2010 are prepared in accordance with Book 2, Part 9 of the Dutch Civil Code, and the Financial Supervision Act part 5.1A.

The Executive Board reviewed the Eureko B.V. Consolidated and Company Financial Statements and authorised their issue. The Executive Board of Eureko B.V. declares that, to the best of its knowledge, the Eureko B.V. Consolidated and Company Financial Statements 2010 give a true and fair view of the assets, liabilities, financial position and profit or loss of Eureko B.V. and that the information contained herein has no omissions likely to modify significantly the scope of any statements made.

The Executive Board of Eureko B.V. also declares that the Executive Board Report 2010 gives a true and fair view of the situation on 31 December 2010, the development and performance during 2010 and describes the principal risks of the businesses of the Group.
The Eureko B.V. 2010 Consolidated Financial Statements and 2010 Company Financial Statements will be submitted to the Annual General Meetings of Shareholders for approval on 6 April 2011.

Zeist, 21 March 2011

Executive Board
W.A.J. (Willem) van Duin, Chairman
G. (Gerard) van Olphen, Vice-Chairman and CFO
J.A.S. (Jeroen) van Breda Vriesman
D. (Danny) van der Eijk
T.C.A.M. (Thomas) van Rijckevorsel

ABBREVIATED FINANCIAL STATEMENTS

ABBREVIATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BEFORE APPROPRIATION OF PROFIT)

(€ MILLION)

	31 DECEMBER 2010	31 DECEMBER 2009
Assets		
Intangible assets	2,066	2,084
Associates	149	1,542
Investment property	1,416	1,440
Investments	39,043	37,675
Investments backing linked liabilities	22,637	21,282
Investments related to cash collateral received in securities lending	534	1,552
Banking credit portfolio	16,828	19,302
Deferred tax assets	923	799
Deferred acquisition costs	384	437
Amounts ceded to reinsurers	937	1,011
Receivables	5,176	3,765
Other assets	860	915
Cash and cash equivalents	1,939	1,385
	92,892	**93,189**
Assets classified as ‘held for sale’	1,054	0
Total assets	**93,946**	**93,189**
Equity		
Equity attributable to holders of equity instruments of the Company	10,352	10,121
Non-controlling interest	5	6
Total equity	**10,357**	**10,127**
Liabilities		
Insurance liabilities	35,623	35,112
Insurance liabilities for policyholders	20,305	19,341
Investment contracts	2,365	2,315
Liabilities related to cash collateral received in securities lending	550	1,584
Employee benefits	1,080	1,142
Other provisions	324	287
Banking customer accounts	4,659	5,050
Loans and borrowings	12,600	13,348
Derivatives	1,031	1,124
Deferred tax liabilities	586	452
Income tax payable	95	198
Other liabilities	3,608	3,109
	82,826	**83,062**
Liabilities classified as ‘held for sale’	763	
Total equity and Liabilities	**93,946**	**93,189**

ABBREVIATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

(€ MILLION)

	2010	2009
Income		
Gross written premiums Non-life	3,992	4,030
Gross written premiums Health	12,289	10,617
Gross written premiums Life	3,571	4,998
Gross written premiums	**19,852**	**19,645**
Reinsurance premiums	-713	-638
Change in provision for unearned premiums (net of reinsurance)	20	15
Net earned premiums	**19,159**	**19,022**
Contributions received for health pooling	25	58
Income from associates	747	241
Investment income	1,387	1,494
Realised and unrealised gains and losses	563	-687
Income from investments backing linked liabilities	1,836	1,781
Income from investments related to cash collateral received in securities lending	10	79
Banking income	832	905
Fee and commission income, and income from service contracts	481	553
Other income	265	1,314
Total income	**25,305**	**24,760**
Expenses		
Claims and movements in insurance liabilities	18,366	15,134
Claims and movements in insurance liabilities ceded to reinsurers	-346	-425
Profit sharing and bonuses	650	-172
Movements in insurance liabilities for policyholders	1,001	4,224
Benefits on investment contracts	82	98
Operating expenses	3,268	3,226
Interest expenses from liabilities related to cash collateral received in securities lending	2	53
Banking expenses	618	746
Interest and similar expenses	99	106
Other expenses	339	263
Total expenses	**24,079**	**23,253**
Profit before tax	**1,226**	**1,507**
Income tax expenses	6	126
Net profit	**1,220**	**1,381**
Net profit attributable to:		
Holders of equity instruments of the Company	1,220	1,381
Non-controlling interest	-	-
Earnings per share from continuing operations (euros) and diluted earnings per share from continuing operations (euros)	2.75	3.36

ABBREVIATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ MILLION)

	2010	2009
Net profit	**1,220**	**1,381**
Net other comprehensive income		
Currency translation differences on subsidiaries, intangible assets and associates	1	-82
Revaluation property for own use		16
Unrealised gains and losses on available for sale instruments	692	447
Share in other comprehensive income of associates	-9	9
Transfer from/to provision for profit sharing and bonuses	-411	-144
Gains and losses on available for sale instruments reclassified to the Income Statement on disposal	-170	18
Impairment charges on available for sale instruments reclassified to the Income Statement	51	131
Unrealised gains and losses on cash flow hedging instruments	-8	2
Comprehensive income	**1,366**	**1,778**
Comprehensive income attributable to:		
Holders of equity instruments of the Company	1,366	1,778
Non-controlling interest	-	-

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

(€ MILLION)

2010	SHARE CAPITAL	OWN SHARES	LEGAL RESERVES	REVALUATION RESERVE	FOREIGN EXCHANGE DIFFERENCE	HEDGING RESERVES	RETAINED EARNINGS	NET PROFIT	OTHER EQUITY INSTRU-MENTS	**EQUITY ATTRIBU-TABLE TO HOLDERS OF EQUITY INSTRU-MENTS OF THE COMPANY**	NON-CONTROLL-ING INTEREST	**TOTAL EQUITY**
Balance at 1 January	**11,861**	**-45**	**1,250**	**758**	**-422**	**2**	**-5,989**	**1,381**	**1,325**	**10,121**	**6**	**10,127**
Comprehensive income				-168	322	-8		1,220		1,366		1,366
Appropriations to reserves			-978	-35			2,394	-1,381				
Dividends and coupon payments	-480						-691			-1,171		-1,171
Other movements				-7	-1		44			36	-1	35
Balance at 31 December	**11,381**	**-45**	**272**	**548**	**-101**	**-6**	**-4,242**	**1,220**	**1,325**	**10,352**	**5**	**10,357**

Share capital includes €10,949 million share premium (2009: €11,429 million).

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

(€ MILLION)

2009	SHARE CAPITAL	OWN SHARES	LEGAL RESERVES	REVALUATION RESERVE	FOREIGN EXCHANGE DIFFERENCE	HEDGING RESERVE	RETAINED EARNINGS	PROFIT FOR THE YEAR	OTHER EQUITY INSTRU-MENTS	**EQUITY ATTRIBU-TABLE TO HOLDERS OF EQUITY INSTRU-MENTS OF THE COMPANY**	CONTROLL-ING INTEREST	**TOTAL EQUITY**
Balance at 1 January	**10,833**	**-45**	**1,548**	**-2**	**-229**	**-25**	**-3,841**	**-2,119**	**1,325**	**7,445**	**6**	**7,451**
Comprehensive income				484	-89	2		1,381		1,778		1,778
Appropriations to reserves			-298	-43			-1,778	2,119				
Dividends and coupon payments							-106			-106		-106
Issue, repurchase and sale of equity instruments	1,028									1,028		1,028
Other movements				319	-104	25	-264			-24		-24
Balance at 31 December	**11,861**	**-45**	**1,250**	**758**	**-422**	**2**	**-5,989**	**1,381**	**1,325**	**10,121**	**6**	**10,127**

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT

(€ MILLION)

	2010	2009
Cash flow from operating activities		
Profit before tax	1,226	1,507
Adjustments of non-cash items and reclassifications:		
Unrealised results on investments	-1,177	-996
Foreign exchange results	-123	-39
Amortisation and impairment charges on intangible assets, equipment and property for own use	186	217
Amortisation deferred acquisition costs	87	106
Dividend income investments and investments backing linked liabilities	-206	-186
Rental income net of expenses	-132	-147
Interest income	-2,512	-2,645
Investment expenses	118	88
Interest expenses	598	674
Changes in operating assets and liabilities:		
Capitalised deferred acquisition costs	-36	-51
Changes in receivables and other liabilities	-851	622
Changes in insurance liabilities net of reinsurance	1,086	2,030
Changes in banking credit portfolio	2,493	-200
Changes in banking customer accounts and loans and borrowings related to banking activities	-1,143	558
Other changes	-293	-29
Income taxes paid	-1	214
Changes in income tax	-90	-157
	-770	**1,566**
Cash flow from investing activities		
Investments, acquisitions and direct return on investments:		
Investment property	-76	-114
Investments	-57,018	-42,428
Investments backing linked liabilities	-12,480	-10,968
Equipment and property for own use	-94	-85
Dividend income associates	3	1,025
Dividend income investments and investments backing linked liabilities	206	186
Rental income net of expenses	132	147
Interest income	2,163	2,332
Investment expenses	-118	-88
	-67,282	**-49,993**

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(€ MILLION)

	2010	2009
Divestments and disposals:		
Subsidiaries and associates (net of cash disposed)	1,442	253
Investment property	67	142
Investments	56,460	40,090
Investments backing linked liabilities	12,760	8,684
Equipment and property for own use	10	163
	70,739	**49,332**
Cash flow related to cash collateral in securities lending		
Investments and acquisitions:		
Cash collateral received in securities lending	4,944	1,041
Investments related to cash collateral received in securities lending	-4,944	-1,256
		-215
Divestments and disposals:		
Repayment of cash collateral received in securities lending	-5,978	-4,744
Investments related to cash collateral received in securities lending	5,979	4,850
	1	**106**
Cash flow from financing activities		
Issue, repurchase and sale of equity instruments		1,028
Dividends and coupon payments on equity instruments	-1,171	-106
Interest paid	-579	-573
Other credit facilities	-384	-529
	-2,134	**-180**
Net cash flow	**554**	**616**
Cash and cash equivalents at 1 January	1,385	769
Net cash and cash equivalents at 31 December	**1,939**	**1,385**
Cash and cash equivalents include the following items:		
Cash	8	31
Bank balances	1,781	1,102
Call deposits	150	252
Net cash and cash equivalents at 31 December	**1,939**	**1,385**

NOTES TO THE ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PREPARATION

The Eureko Abbreviated Consolidated Financial Statements, including the 2009 comparative figures, comprising of Consolidated Statements of Financial position, Consolidated Income Statement, Consolidated Statements of Comprehensive Income, Consolidated of Changes in Total Equity and the Consolidated Cash Flow Statement, have been derived from the Consolidated Financial Statements of Eureko B.V. for the year ended 31 December 2010. These Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards – including International Accounting Standards (IAS) and Interpretations as at 31 December 2010 and as adopted by the European Union (hereafter EU and EU-IFRS).

The Abbreviated Consolidated Financial Statements omit the notes comprising of the significant accounting policies and other explanatory information as required by EU-IFRS. Reading the Abbreviated Consolidated Financial Statements, therefore, is not a substitute for reading the Consolidated Financial Statements. The Abbreviated Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements from which the Abbreviated Consolidated Financial Statements were derived.

INDEPENDENT AUDITOR'S REPORT

To: General meeting of shareholders and supervisory board of Eureko B.V.
We have audited whether the accompanying abbreviated Financial Statements, which comprise the Statement of Financial Position as at 31 December 2010, the Statement of Comprehensive Income, the Statement of changes in Total equity and the Statement of Cash flows for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information, are derived from the audited Financial Statements of Eureko B.V. for the year ended 31 December 2010 (as set out on pages 1 to 126). We expressed an unqualified audit opinion on those Financial Statements in our report dated 21March 2011. Those Financial Statements, and the abbreviated Financial Statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The abbreviated Financial Statements do not contain all the disclosures required by International Financial Reporting Standards as adopted by the European Union and Part 9 of Book 2 of the Netherlands Civil Code. Reading the abbreviated Financial Statements, therefore, is not a substitute for reading the audited Financial Statements of Eureko B.V.

Management's responsibility

Management is responsible for the preparation of the abbreviated Financial Statements in accordance with the accounting policies as applied in the 2010 Financial Statements of Eureko B.V.

Auditor's responsibility

Our responsibility is to express an opinion on the abbreviated Financial Statements based on our procedures, which were conducted in accordance with Dutch Law, including the Dutch Standard on Auditing 810 "Engagements to report on abbreviated Financial Statements".

Opinion

In our opinion, the abbreviated Financial Statements derived from the audited Financial Statements of Eureko B.V. for the year ended 31 December 2010 are consistent, in all material respects, with those Financial Statements.

Emphasis of matter

For a better understanding of the company's financial position and results and the scope of our audit, we emphasize that the abbreviated Financial Statements should be read in conjunction with the audited Financial Statements, from which the abbreviated Financial Statements were derived and our unqualified auditors' report thereon dated 21 March 2011. Our opinion is not qualified in respect of this matter.

Amstelveen, 21 March 2011
KPMG ACCOUNTANTS N.V.

H. Arendse RA

MASTHEAD

Content, text and production
Eureko Investor Relations & The Ginger Group

Visual concept and design
Koeweiden Postma, Amsterdam

Layout
Sensum, Almere

Photography
Enno Rijpma, Breukelen

Print
Koninklijke Broese en Peereboom, Breda

Binding
Epping Boekbinders bv, Woerden