



**Determination No. M/05/063 of the Competition Authority, dated 26<sup>th</sup> October 2005, under Section 21 of the Competition Act, 2002**

**Notification No. M/05/063 – Proposed joint venture between Coöperatieve Centrale Raiffeisen-Boerenleenbank BA (“Rabobank”) and Vereniging Achmea (“Achmea”)**

**Introduction**

1. On 22<sup>nd</sup> September 2005 the Competition Authority, in accordance with Section 18 (1) of the Competition Act, 2002 (“the Act”) was notified, on a mandatory basis, of a proposed joint venture between Rabobank and Achmea. The proposed joint venture involves Rabobank transferring its Dutch insurance business, Interpolis N.V. (“Interpolis”) to Eureko B.V. (“Eureko”), an insurance group incorporated in the Netherlands and controlled by Achmea. Rabobank will thus acquire joint control over the Eureko joint venture.
2. On 21<sup>st</sup> October 2005, the Authority issued a requirement to provide further information in accordance with section 20(2), which was responded to by the undertaking involved on 25<sup>th</sup> October.

**The Parties**

3. Rabobank is part of the Rabobank Group which is owned by 288 local banks which provide financial services and products to retail and business markets. Rabobank operates in Ireland through (i) Rabobank Ireland plc; (ii) a branch office; (iii) rabobankdirect.ie (which is part of the branch office); (iv) Interpolis; (v) ACCBank; and through (vi) De Lage Landen. In 2004, the Rabobank had worldwide turnover of €10,055m and turnover of €[500-1,000]m in Ireland. Interpolis, through its subsidiaries received approximately €[100-200] million in 2004 in reinsurance premiums in Ireland.
4. Achmea is the majority shareholder of the insurance group, Eureko. Eureko is a pan-European financial services group, which offers a range of insurance products, as well as asset management and banking products and services. In the most recent financial year, it had a worldwide turnover of €7,756.2m. Eureko carries on its activities in Ireland through Eureko Re Dublin and Friends First Holdings Limited, which operates through its affiliates Friends First Life Assurance Company Limited and Friends First Finance Limited.
5. Eureko Re Dublin provides reinsurance services for Eureko and third parties although it did not re-insure any risks for any third parties in 2004. Eureko Re Dublin received €[<5]m in reinsurance premiums in 2004 in respect of income from its parent, Eureko. Achmea Reinsurance SA Luxemburg, a subsidiary of Achmea, received €[50-100]m in reinsurance premiums in respect of reinsurance for Interpolis Re IFSC and this represents the only Irish reinsurance premium paid to it. Friends First Life Assurance Company Limited develops, distributes



and underwrites Life Assurance, Pension and Investment Products. Friends First Finance Limited provides consumer and business lending. Together, Eureka and Friends First Holdings Limited have realised turnover of €[500-1,000]m in Ireland.

### **Analysis**

6. There is only a very limited overlap in (i) reinsurance and (ii) lending, between the business activities of Achmea and Rabobank on the island of Ireland. With regard to reinsurance, the Insurance Information Institute estimates that in 2003, the net reinsurance premiums written by the world's top 40 reinsurance groups amounted to \$120.7 billion in 2003. According to the undertakings involved, the share of Achmea and Rabobank/Interpolis on the worldwide reinsurance market is smaller than 1%. A report published by Guy Carpenter<sup>1</sup> estimates that 3% of the global reinsurance premiums in 2003 were paid to Irish reinsurers. The parties' combined turnover in Ireland represents [<5]% of this. This includes the revenue received by Achmea in respect of the reinsurance premium from Interpolis Re IFSC. Following the proposed transaction, the turnover received by Achmea in respect of Irish reinsurance premiums will become intra-group turnover. Enquiries have shown that the proposed transaction does not raise competition concerns with regard to the reinsurance sector.
7. With regard to lending by financial institutions the domestic marketplace includes such large players as of Bank of Ireland, AIB, Ulster Bank and Irish Life & Permanent, Anglo Irish Bank plc and Bank of Scotland Ireland, who together will act as a significant competitive constraint on the joint venture. The transaction does not therefore give rise to competition concerns with regard to lending.

### **Determination**

The Competition Authority, in accordance with Section 21(2) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed joint venture between Coöperatieve Centrale Raiffeisen-Boerenleenbank BA ("Rabobank") and Vereniging Achmea ("Achmea") will not be to substantially lessen competition in markets for goods and services in the State and, accordingly, that the joint venture may be put into effect.

### **For the Competition Authority**

**Edward Henneberry**  
**Member of the Competition Authority**

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<sup>1</sup> Guy Carpenter: Market Information Briefing, August 2005