

Financial Statements



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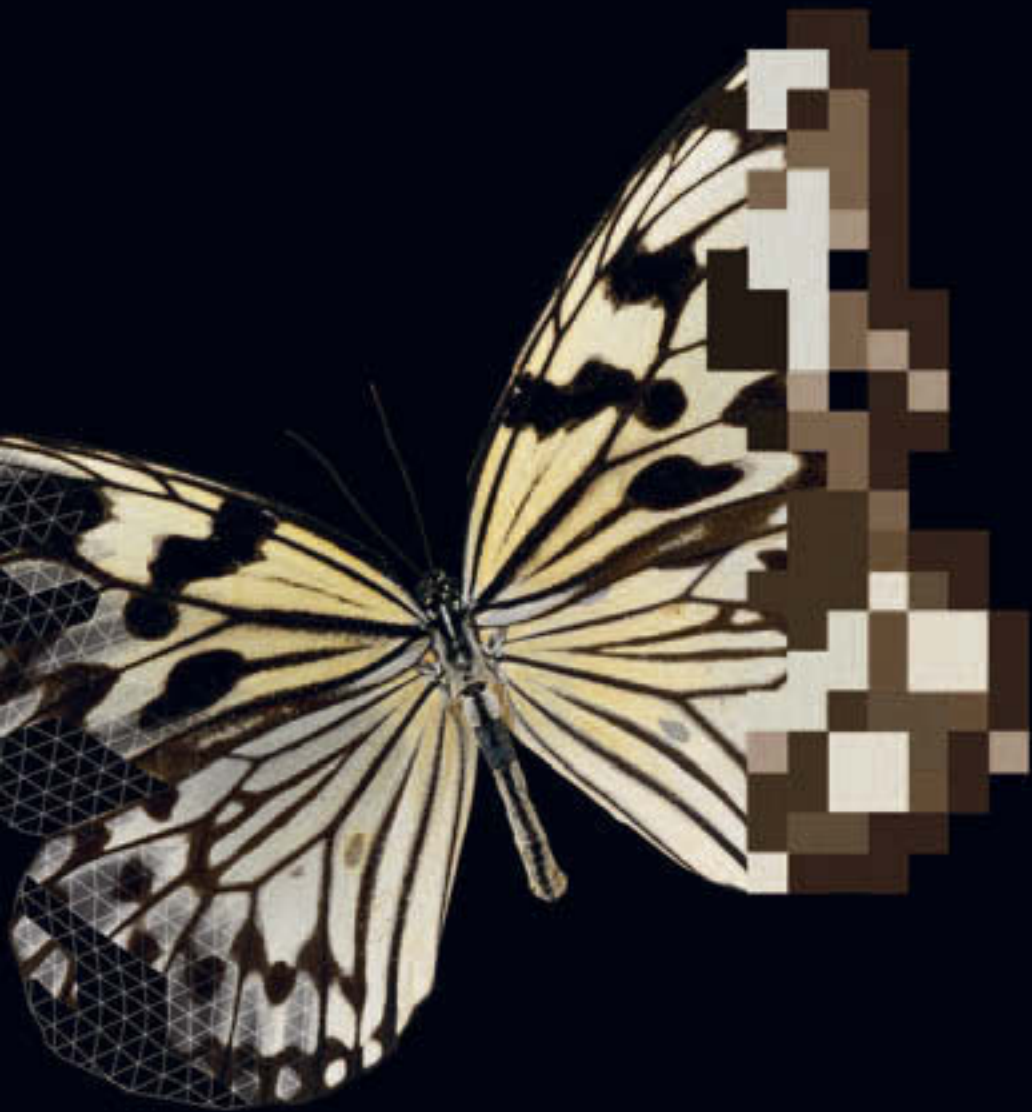
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Consolidated Financial Statements

Consolidated Balance Sheet

(Before appropriation of results)

EUR million	Notes	As at 31 Dec 2004	As at 31 Dec 2003
Assets			
Intangible assets	1	191.2	
Investments in associated companies	2	988.8	644.4
Other investments	3	22,056.8	18,532.1
Investments on behalf of policyholders	4	8,029.2	6,925.5
Banking credit portfolio	5	16,781.3	17,133.5
Receivables	6	1,162.9	1,479.3
Other assets	7	781.7	1,817.8
Prepayments and accrued income	8	1,304.1	1,245.9
Total		51,296.0	47,778.5
Equity and Liabilities			
Capital and reserves	9	4,093.4	1,813.5
Minority interest	10	1.4	365.5
Group equity		4,094.8	2,179.0
Fund for general banking risks	11	42.8	44.9
Group capital base		4,137.6	2,223.9
Technical provisions	12	21,539.6	19,336.3
Technical provisions for policyholders		8,029.2	6,925.5
Other provisions	13	391.4	360.0
Banking customer accounts	14	5,844.8	6,973.7
Loans and borrowings	15	9,269.2	9,396.7
Other liabilities	16	1,334.5	1,694.6
Accruals and deferred income	17	749.7	867.8
Total		51,296.0	47,778.5

Consolidated Income Statement

EUR million	Notes	2004	2003
Income			
Gross written premiums Life	18	2,878.9	2,602.9
Gross written premiums Non-Life	19	1,470.8	1,432.4
Gross written premiums Health	20	1,859.7	1,620.4
Gross written premiums		6,209.4	5,655.7
Reinsurance premiums		-356.6	-196.6
Change in provision for unearned premiums (net)		-1.1	-3.4
Net earned premiums		5,851.7	5,455.7
Contribution received for health pooling		274.5	268.9
Capital gain from Group transactions	21	666.5	-12.5
Income from associated companies	22	128.6	58.4
Capital gain from restructuring of banking activities		43.2	
Investment income	23	1,145.1	606.3
Investment income for account of policyholders		536.4	588.0
Asset management income		173.9	230.3
Banking income	24	890.1	953.1
Other income		419.6	453.2
Total income		10,129.6	8,601.4
Expenses			
Net claims and movement in technical provisions	25	6,108.2	5,762.7
Profit sharing, bonuses and rebates	26	230.5	424.7
Change in unrealised investment losses	23	-16.5	-692.9
Operating expenses insurance and Health	27	1,282.9	1,174.4
Asset Management expenses	28	148.4	190.5
Banking expenses	29	749.0	871.8
Interest expenses		48.9	78.3
Other expenses		307.0	367.8
Total expenses		8,858.4	8,177.3
Ordinary result before tax		1,271.2	424.1
Tax on ordinary results	31	-117.9	-158.3
Ordinary result after tax		1,153.3	265.8
Minority interest	32	-0.7	-22.8
Result after minority interest		1,152.6	243.0

Consolidated Cash Flow Statement

EUR million	2004	2003
Cash flow from operating activities		
Result after taxation	1,152.6	243.0
Movement in technical provisions	943.7	1,046.2
Non-cash proceeds included in capital gains from Group transactions	-155.7	-8.6
Realised revaluation of investments	-391.8	-119.4
Movement in other provisions	82.2	26.3
Amortisation of acquisition costs	106.6	83.2
Change in deferred interest rebates	32.1	34.9
Amortisation of operating assets	58.3	69.8
Movement in short-term debt	-404.1	-67.9
Capitalised acquisition costs	-101.6	-89.2
Movement in receivables	339.3	217.5
Other movements	-50.6	383.9
	1,611.0	1,819.7
Cash flow from investing activities		
Investments and acquisitions		
Real estate and equities	-1,703.7	-1,971.7
Fixed-income securities	-15,503.7	-21,184.8
Group companies and associated companies	-393.6	-5.7
Other investments	-440.7	-972.4
Tangible fixed assets	-46.2	-59.7
Divestments redemptions and disposals		
Real estate and equities	1,433.0	2,374.3
Fixed-income securities	14,423.0	20,273.1
Group companies and associated companies	124.1	
Other investments	400.6	1,015.4
Tangible fixed assets	24.7	20.7
	-1,682.5	-510.8
Cash flow from banking activities		
Loans granted, on balance	755.3	-522.9
Movement in customer accounts, debt securities and banks	-1,215.8	436.5
	-460.5	-86.4
Cash flow from financing activities		
Private placing of ordinary shares	233.2	198.9
Dividends paid	-91.4	
Other credit facilities	-469.6	-1,173.5
	-327.8	-974.6
Net cash flow	-859.8	247.9
Movement in liquid assets		
Liquid assets at 1 January	1,249.7	1,001.8
Net cash flow	-859.8	247.9
Liquid assets at 31 December	389.9	1,249.7
Liquid assets include the following items:		
Bank balances	127.3	618.3
Call deposits	262.6	620.9
Short-term government paper		10.5
Liquid assets at 31 December	389.9	1,249.7

Notes to the Financial Statements

Accounting Policies

Introduction

Eureko B.V. is the ultimate holding company of a financial group whose core activity is Insurance. The classification of items in the consolidated balance sheet and income statement reflects the regulatory requirements and the standard practice in the industry. This also applies to the accounting principles.

The financial statements are prepared in accordance with generally accepted accounting principles applicable in The Netherlands ('Dutch GAAP').

The company profit and loss account of Eureko B.V. was prepared in accordance with section 402, first sentence, Part 9, Book 2 of The Netherlands Civil Code.

The financial statements are prepared in millions of euros, unless otherwise stated.

Where necessary, comparative figures have been changed to be consistent with the current year's presentation. Due to the reorganisation of the banking activities in 2004, some activities which were previously classified in the 'Other activities' segment, have been transferred to the Banking segment. The related figures for 2003 have been restated.

Accounting framework

Valuation

Assets are recognised in the financial statements if it is probable that the future economic benefits associated with the specific item will flow to the enterprise and the item can be measured with reliability. Liabilities are recognised in the financial statements if it is probable that these liabilities result in an outflow of resources embodying future economic benefits and that these liabilities can be measured with reliability.

Both assets and liabilities are stated at their nominal values unless a different valuation basis is stated hereafter.

Recognition

Under the accrual basis of accounting, transactions and events are recognised when they occur and are reported in the financial statements of the periods to which they relate.

Income is recognised in the income statement when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably and has a sufficient degree of certainty. Expenses are recognised when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Changes in accounting principles

Until 2003 goodwill paid on acquisitions was debited or credited to Shareholders' equity. In anticipation of the change to full IFRS in 2005, goodwill paid on all acquisitions as from 2004 has been capitalised. The total goodwill capitalised in 2004 on the basis of this changed accounting principle amounts to EUR 191.5 million.

Business combinations and participating interest

Basis for consolidation

The following principles of consolidation and valuation are applied to the financial statements:

- Operating companies over which the Group exercises controlling influence are fully consolidated using the purchase method of consolidation.
Third-party interests are presented separately in the financial statements. Generally, controlling influence is presumed to exist when the interest in the Company's share capital or voting rights represents more than 50%.
- Associates over which the Group exercises significant influence (generally when the participation in the share capital is between 20% and 50%) are accounted for using the equity method, based on Eureko's accounting principles.
- Participating interests in companies in which Eureko does not exercise significant influence are carried at cost.

The results of operating companies acquired and sold during the year are included in the consolidated income statement from the date of acquisition or up to the date of sale.

A list of all group companies and other participating interests has been lodged with the commercial register of the Chamber of Commerce in Utrecht and is available on request.

Intra-group adjustments

All transactions between Group companies relating to financing commitments have been eliminated from the consolidated balance sheet and income statement. To provide a more accurate economic insight, transactions between segments have not been eliminated in the segmental balance sheet and income statement.

Goodwill

Goodwill is measured as the excess of the acquisition price over the fair value of the acquired assets and liabilities at the date of acquisition and is capitalised under Intangible assets. The goodwill is amortised over a period of 20 years. The recognised goodwill will be subject to impairment testing. Any excess of the carrying amount over its recoverable amount will be recognised as an impairment loss for goodwill. An impairment loss recognised for goodwill will not be reversed in a subsequent period.

Goodwill paid on acquisitions until 2003 was debited or credited to shareholders' equity. On disposal within five years of participating interest, for which the goodwill was originally deducted from reserves, the goodwill credited or debited to shareholders' equity is partially or fully reversed. The proceeds of the sale are adjusted accordingly.

Segmental information

Segmental information is presented in respect of the Group's business and geographical segments. Business segments constitute the primary format and are based on the Group's management and internal reporting structure.

The presentation distinguishes between the following activities:

- Life Insurance operations.
- Non-Life Insurance operations.
- Health operations (including Services).
- Asset Management operations.
- Banking operations.
- Other operations.

Segmental results, assets and liabilities include items directly attributable to a segment. Unallocated items mainly comprise income-earning assets and revenues, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

In presenting information on the basis of geographical segments, segmental revenue is based on the geographical activities of operating companies.

General principles

Use of estimates

For the preparation of the annual report estimates and assumptions are used for some of the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the balance sheet date as well as the reported amounts of revenues and expenses for the accounting period. The use of those estimates and assumptions is in conformity with Dutch GAAP.

Foreign exchange translation

Assets and liabilities denominated in foreign currencies are translated at the exchange rates applicable at balance sheet date. The resulting exchange gains and losses are shown in the income statement. Income and expenses arising from foreign exchange transactions are translated at the rates applicable on the transaction date.

On consolidation, assets and liabilities of foreign subsidiaries are translated into euros at the exchange rates ruling at the balance sheet date. The results of non-euro subsidiaries are translated at the weighted average of exchange rate for the year. Translation differences arising from the application of year-end exchange

rates to the opening net assets of non-euro subsidiaries and to the results for the year are dealt with through reserves.

Exchange differences arising on the same basis in respect of foreign associated companies are recognised directly in shareholders' equity. The same applies to exchange differences on investments in real estate and equities that are not held on behalf of policyholders. All other exchange differences are taken to the income statement.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and reported at the net amount in the balance sheet when Eureko:

- Has a legally enforceable right to set off the recognised amounts, and
- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Impairments

An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. Impairments are recognised as an expense in the income statement, unless the asset is carried at a revalued amount. In these circumstances the impairment loss is treated as a revaluation decrease, till the amount of the revaluations, any excess being charged as an expense in the income statement.

When the recoverable amount increases again the impairment will be reversed through the income statement up to the original carrying amount.

For doubtful loans, a value adjustment is applied if necessary. Accrued interest and commission are not shown as income in the case of doubtful receivables. This applies particularly to interest and commission not received on loans and advances to which a downward value adjustment has been applied.

Financial derivatives

The Group uses derivative financial instruments, (e.g. interest rate swaps and forward exchange contracts) to manage its exposure to foreign exchange, interest rate, and commodity price risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Insurance activities of the Group do not hold or issue derivative financial instruments for trading purposes. Recognition of any resulting unrealised gain or loss depends on the nature of the item being hedged.

Derivative financial instruments, not used for hedging, are stated at fair value. Forward exchange contracts are stated at quoted market price. The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at balance date, taking into account current interest rates and creditworthiness of the swap counterparties.

Hedge accounting

Hedge of firm commitments and forecasted transactions

When a derivative financial instrument hedges a firm commitment or a forecasted transaction, any resulting gain or loss on the derivative financial instrument is recognised directly in equity. When the transaction results in the recognition of an asset or liability, the cumulative gain or loss is removed from equity and included in the initial measurement of the asset or liability. Otherwise the cumulative gain or loss is removed from equity and recognised in the income statement when the hedged transaction affects the net profit or loss.

When a hedging instrument or hedge relationship is terminated and the hedged transaction is still expected to occur, then the cumulative unrealised gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to occur, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

Hedge of recognised assets and liabilities

When a derivative financial instrument hedges a recognised receivable or payable, any resulting gain or loss on the derivative financial instrument will be accounted for in line with the hedged item. The hedged item's fair value at balance date is translated to euro at the year end foreign exchange rate.

Financial leases

Assets held under finance leases are recorded in the balance sheet as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between the finance income and the amortisation of the outstanding capital. The recognition of finance income reflects a constant periodic rate of return on the outstanding balance of the finance lease.

Investment and trading portfolios in the banking activities

The investment portfolio is recorded under the 'Investments' and comprises all debt securities including fixed income securities as well as shares and other variable yield securities, which, under the bank's policy, are held as fixed assets and are essentially destined for permanent use in the bank's operations.

The trading portfolio is recorded as 'Other Assets' and essentially comprises all financial instruments held with the aim of making profits on dealing, positions relating to the settlement of securities transactions, net proprietary positions arising from the facilitating of transactions for customers and positions earmarked as a hedge for other positions in the trading portfolio.

The accounting principles applied to the banking investment portfolio are consistent with those stated for investments.

Securities and other financial instruments in the trading portfolio are stated at fair value. Both realised and unrealised results are included in the profit and loss account as banking revenues or expenses.

Specific principles**Investments***Real estate, equities and convertible bonds, bonds and other fixed-income securities*

Investments in real estate, equities and convertible bonds, bonds and other fixed income securities are stated at fair value. Changes in the carrying amount resulting from revaluations of the investments are recorded in shareholders' equity, taking into account the related taxes. On sale of these investments, the revaluations are reversed and the difference between the sale proceeds and historical cost is recognised as investment income.

When optional dividends are taken up as shares, an amount equal to the cash dividend is credited to income.

Investments in real estate include property in own use. The rental charged to group companies is reported as investment income and charged to operating expenses.

Venture capital

Venture capital is stated at the lower of cost or net realisable value, which is determined per portfolio of investments with similar risk profiles. Results on the venture capital are accounted for in the profit and loss account.

Investments on behalf of the policyholders

Investments held on behalf of the policyholder and insurance deposits are investments where the investment risk is borne by the policyholder. They are stated at fair value. Segregated investment deposits for Group life contracts with full profit sharing are valued according to the principles of the related contracts. All revaluations are booked through the income statement.

Determining the fair value of investments

The fair value of listed equity and fixed maturity securities is based on the quoted market price at balance sheet date and, if unquoted, on estimated market values based on quoted prices for similar securities. For those securities not actively traded, the fair value is based on the estimated future cash flows utilising interest rates that reflect current market conditions. This calculation method is also applied to mortgage loans.

Investments in real estate are valued at the estimated proceeds from private sales with the property fully let. Expert surveys are performed each year internally and once every five years externally. Properties under construction are recorded at cost, including interest and less any provisions if deemed necessary. On completion, the carrying value is restated to market value.

Accounting for agreements to re-purchase or resell securities

Securities purchased under resale agreements are not shown separately in the consolidated balance sheet, but are included within loans and advances to credit institutions, and loans and advances to customers. Securities sold under repurchase agreements are not shown separately in the consolidated balance sheet, but are included within amounts owed to credit institutions and amounts owed to customers. Securities purchased/sold under resale/repurchase agreements generally qualify as financing transactions. These are carried at the amounts at which the securities will be subsequently resold or re-acquired as specified in the respective agreements; these amounts include accrued interest. The fair value of the underlying securities is regularly compared with the related loan and, if necessary, additional collateral is required.

Accounting for security borrowing and lending

Lended securities are included in investments while borrowed securities are not recognised as an asset on the balance sheet.

Reinsurance

Amounts receivable from reinsurers are estimated in a manner consistent with the claim liability associated with the reinsured business. These receivables are valued and monitored for recoverability.

Credit portfolio

The banking assets consist of loans and advances to customers and credit institutions. Loans and advances are recorded at their nominal value less provisions for bad and doubtful debts.

The investment and trade portfolios are reported under 'Investments' and 'Other assets' respectively.

Other assets

Other fixed assets are stated at acquisition cost less straight-line depreciation based on estimated economic lifetime. Depreciation takes place with effect from entry into use.

Computer Software

Computer system software is capitalised and amortised over a period up to a maximum of five years, based on the software's useful lifetime. Internally developed computer system software is capitalised provided the following criteria are met:

- The product or process is clearly defined and the costs attributable to the product or process can be separately identified.
- The technical feasibility can be demonstrated.
- The management has indicated its intention to develop and market, or use, the product or process; and
- There is a clear indication of a future market for the product or process or, its usefulness can be demonstrated.

Deferred acquisition costs

Acquisition costs that are directly or indirectly related to the selling of insurance contracts are deferred to the extent that they are deemed recoverable from future revenues. The deferred acquisition costs are subject to recoverability testing at the time of policy issue and to loss recognition testing at the end of each accounting period. The Group does not consider anticipated investment income in the determination of the recoverability.

Deferred acquisition costs are amortised in equal instalments over the lifetime of the insurance contracts. The amortisation is included in the operating expenses of the technical accounts.

In the case of the purchase of life insurance portfolios, the present value of future surpluses on the portfolios acquired is capitalised and amortised over the expected average lifetime of the insurance portfolio.

Shareholders' capital

Parent company (treasury) shares held by the company or its operating companies are accounted for by a reduction of shareholders' capital.

Fund for general banking risks

The fund for general banking risks has been formed to cover the general risks arising from the pursuit of banking operations. Unforeseeable expenses and exceptional, major setbacks arising from the pursuit of banking operations are charged to this item. The fund is shown for the net amount after deduction of taxes.

Technical provisions*General valuation principles*

As a rule, the technical provisions are calculated on the basis of the principles and methods used in countries in which the Group's insurance companies operate.

Premiums for life insurance products are recognised as premium income when due. Premiums for Non-Life insurance contracts are recognised in proportion to the amount of insurance coverage provided. When premiums are recognised, liabilities for future policy benefits are recorded, resulting in benefits and expenses being matched with the revenues and profits being recognised over the lifetime of the contracts.

Provision for unearned premiums and unexpired risks

The provision for unearned premiums is determined in proportion to the unexpired risk term on net premiums. For insurance policies covering a risk increasing during the term of the policy at premium rates independent of age, this risk is taken into account in determining the provision.

Outstanding claims provision

The outstanding claims provision relates to insurance claims that have not been settled at balance date, including claims incurred but not reported, and are determined either case-by-case or statistically. In determining the provisions, costs still to be incurred for claims handling have been taken into account.

The liability is based on estimates of expected losses and unexpired risks for all lines of business. This takes into consideration management's judgement on the anticipated level of inflation, regulatory risks and trends in claims. Estimates of expected losses are developed using historical claims experience, actual versus estimated claims experience, other known trends and developments, and local regulatory requirements. When appropriate, deductions are made for salvage and other recoveries.

The liabilities are undiscounted except for disability insurance policies. Here the provision reflects the present value of the expected claims payments, calculated on the basis of an actuarial interest rate. Waiting periods are taken into account when determining the provision. The average term has been estimated considering the probability of rehabilitation.

The mathematical provision relating to obligations to pay life pensions resulting from workers' compensation claims is calculated by using actuarial tables and formulas established by the local supervisory authorities, with reference to recognised actuarial methods and current labour legislation.

Provision for life policy liabilities

Technical provisions for traditional life insurance policies are established by the net-level premium method, and based on the actuarial and economic assumptions used in pricing the policies. The liabilities subject to longevity risk are valued using mortality rate assumptions based on current tables commonly used in the industry, adjusted to reflect the insurer's own experience and to allow for the trend in the mortality risk over the coming years. The provisions for unearned premiums, unexpired risks and outstanding claims are included to the extent that these relate to the life insurance business. The reasonableness of these assumptions is reviewed annually through loss recognition testing.

If the tests show that technical provisions are inadequate, the provisions are increased accordingly. The provision for life policy liabilities is net of the capitalised interest surplus rebates found in the Dutch life insurance industry. These rebates are granted in any year on regular or single premiums for pension and life insurance, which are based on the expectation that actual investment yields will exceed the discount rate applied in the pricing of the policies. The rebates are amortised over a 10-year period on the basis of annually rising amounts, which is consistent with the manner in which the interest surplus is realised.

Accounting for profit sharing contracts

An explicit allowance is made for any profit sharing that the policyholder or beneficiary is entitled to. Vested rights that have not yet been credited to policyholder accounts are reported separately as the provision for profit sharing, bonuses and rebates. Other vested rights are included in the provision for life policy liabilities.

The provision for profit sharing, bonuses and rebates, also comprises the realised and unrealised gains and losses on fixed income securities which are related to policyholders' future rights to investment gains. On an annual basis the adequacy of this part of the provision for profit sharing, bonuses and rebates is tested by means of a discounted cash flow calculation of the expected benefits including future profit sharing to be paid to policyholders.

Technical provisions for investments held on behalf of policyholders

The technical provisions for annual life funds and insurance products where the policyholder bears the investment risk, are accounted for at the value of the associated investments.

The technical provisions for segregated investment deposits are generally calculated on the same basis as the provision for life policy liabilities.

Other provisions

General principles

Other provisions are recognised in the balance sheet when a legal or constructive obligation exists as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

Provision for deferred taxes

A provision has been formed for all relevant temporary differences between the commercial valuation and tax valuation of assets and liabilities.

Provision for restructuring costs

A provision for restructuring is recognised when management has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced to the parties concerned. Costs relating to the on-going activities of the Group are not provided for.

Provision for pension liabilities

The net obligation in respect of defined benefit pension and healthcare plans is calculated separately for each defined benefit plan using the projected unit-credit method. In accordance with this method, the future benefits that employees have earned in return for their service in the current and prior periods is estimated. This liability is then discounted to determine the present value, and the fair value of any plan assets is deducted.

The rates used for salary developments, interest discount factors, and other pension adjustments reflect specific country conditions.

The actuarial gains and losses related to the differences between the actuarial and financial assumptions used in the calculations and the actual amounts obtained, are recognised following the corridor method.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at cost, and net of any transaction costs incurred. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings.

When borrowings are repurchased or settled before maturity, any difference between the amount repaid and the carrying amount is recognised immediately in the income statement.

Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at balance date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at balance date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Income statement*Allocation of investment income*

In the income statement of the insurance activities the allocation of investment income to the technical account is based on a yield related to the technical provisions, which is based on Asset-Liability management studies. The remaining part of the investment income is allocated to the non-technical account.

Cash flow statement

The cash flow statement has been set up according to the indirect method with a breakdown into cash flow from operating, investing, banking and financing activities.

Euro exchange rates

		31 Dec. 2004	Average 2004
Sterling	GBP	1.41283	1.47296
Canadian Dollars	CAD	0.60606	0.61905
Danish Kroner	DKK	0.13437	0.13439
Polish Zlotys	PLN	0.24570	0.22191
Slovak Koruna	SKK	0.02564	0.02498
Swedish Kroner	SEK	0.11161	0.10972
Swiss Francs	CHF	0.64683	0.64790
US Dollars	USD	0.73394	0.81067
Cypriot Pound	CYP	1.75439	1.73674
Bulgarian Lev	BGL	0.50602	0.51161
Romanian Leu	ROL	0.00003	0.00002

Segment Reporting

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure. In presenting information on the basis of geographical segment, reserves, assets and liabilities are based on the geographical location of Operating Companies.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses. Inter-segment pricing is determined in principle on an arm's length basis.

Segment Group Consolidated Balance Sheet as of 31 December 2004

EUR million	Life insurance	Non-Life insurance	Health	Management	Asset Banking	Other activities	Holding & intergroup adjustments	Total
Assets								
Other investments	18,452.7	2,641.8	2,152.1	37.6	321.1	1,347.6	-2,896.1	22,056.8
Investments on behalf of policyholders	7,897.8		131.4					8,029.2
Banking credit portfolio					16,831.3		-50.0	16,781.3
Other allocated assets*	2,038.5	660.1	897.6	9.0	597.5	1,710.0	-1,484.0	4,428.7
Total assets	28,389.0	3,301.9	3,181.1	46.6	17,749.9	3,057.6	-4,430.1	51,296.0
Equity and Liabilities								
Allocated capital	1,688.9	700.5	704.3	25.0	503.4	-29.4	502.1	4,094.8
Subordinated loans	32.0				10.0		-42.0	
Fund for general banking risks					42.8			42.8
Group capital base	1,720.9	700.5	704.3	25.0	556.2	-29.4	460.1	4,137.6
Technical provisions	17,741.3	2,159.7	1,880.7				-242.1	21,539.6
Technical provisions for policyholders	7,897.8		131.4					8,029.2
Banking customer accounts					7,853.0		-2,008.2	5,844.8
Other allocated liabilities*	1,029.0	441.7	464.7	21.6	9,340.7	3,087.0	-2,639.9	11,744.8
Total liabilities	28,389.0	3,301.9	3,181.1	46.6	17,749.9	3,057.6	-4,430.1	51,296.0

* The item 'Other allocated assets' shown under Assets, comprises Investments in associated companies Receivables, Other assets and accrued income.

The item 'Other allocated liabilities' comprises Other provisions, Loans and borrowings, Other liabilities and Accruals and deferred income.

Holding and intergroup adjustments comprises the elimination of intergroup finance activities which are mainly related to the financing of the mortgage portfolio of the Banking segment by the Life Insurance segment and the goodwill paid on acquisitions that has been deducted from the shareholders' equity of the holding company until 2003. In relation to the sale of F&C in 2004 this part of the goodwill has been reversed and as a result the allocated capital reported as part of Holding and intergroup adjustments shows a material increase.

Segment Group Consolidated Balance Sheet as of 31 December 2003

EUR million	Life insurance	Non-Life insurance	Health	Asset Management	Banking	Other activities	Holding & intergroup adjustments	Total
Assets								
Investments	16,107.1	2,304.4	1,827.0	35.0	294.9	2,281.6	-4,317.9	18,532.1
Investments on behalf of policyholders	6,845.6	3.1	76.8					6,925.5
Banking credit portfolio					17,135.9		-2.4	17,133.5
Other allocated assets*	2,038.7	804.9	824.1	286.8	1,280.3	1,210.3	-1,257.7	5,187.4
Total assets	24,991.4	3,112.4	2,727.9	321.8	18,711.1	3,491.9	-5,578.0	47,778.5
Equity and Liabilities								
Allocated capital	1,717.3	566.3	516.7	182.3	496.0	78.0	-1,377.6	2,179.0
Fund for general banking risks					44.9			44.9
Group capital base	1,717.3	566.3	516.7	182.3	540.9	78.0	-1,377.6	2,223.9
Technical provisions	15,750.2	2,031.8	1,554.2				0.1	19,336.3
Technical provisions for policyholders	6,845.6	3.1	76.8					6,925.5
Banking customer accounts					9,016.3		-2,042.6	6,973.7
Other allocated liabilities*	678.3	511.2	580.2	139.5	9,153.9	3,413.9	-2,157.9	12,319.1
Total liabilities	24,991.4	3,112.4	2,727.9	321.8	18,711.1	3,491.9	-5,578.0	47,778.5

* The item 'Other allocated assets' shown under Assets, comprises Investments in associated companies Receivables, Other assets and accrued income.
The item 'Other allocated liabilities' comprises Other provisions, Loans and borrowings, Other liabilities and Accruals and deferred income.

Holding and intergroup adjustments comprises the elimination of intergroup finance activities which are mainly related to the financing of the mortgage portfolio of the Banking segment by the Life Insurance segment and the goodwill paid on acquisitions that has been deducted from the shareholders' equity of the holding company until 2003.

Segment Consolidated Income Statement for the Year 2004

EUR million	Life insurance	Non-Life insurance	Health	Asset Management	Banking	Other activities	Holding & intergroup adjustments	Total
Income								
Net earned premiums	2,647.6	1,355.3	1,850.7				-1.9	5,851.7
Contributions received for health pooling			274.5					274.5
Capital gain from Group transactions							666.5	666.5
Income from associated companies	1.1	0.6				9.4	117.5	128.6
Capital gain from restructuring of banking activities					43.2			43.2
Investment income	973.2	150.9	104.6	3.2		104.5	-191.3	1,145.1
Investment income for account of policyholders	529.4		7.0					536.4
Asset management income				201.2			-27.3	173.9
Banking income					921.3		-31.2	890.1
Other income	23.3	8.0	260.9	3.0		177.4	-53.0	419.6
Total income	4,174.6	1,514.8	2,497.7	207.4	964.5	291.3	479.3	10,129.6
Expenses								
Net claims and movements in technical provisions	3,328.5	916.3	1,863.4					6,108.2
Profit sharing, bonuses and rebates	212.9		25.2				-7.6	230.5
Change in unrealised investment losses							-16.5	-16.5
Operating expenses insurance and health	449.8	338.0	505.0				-9.9	1,282.9
Asset Management expenses				158.8			-10.4	148.4
Banking expenses					958.5		-209.5	749.0
Interest expenses	10.3	0.8	7.1	0.5		111.6	-81.4	48.9
Other expenses	14.7	7.5	16.4			224.7	43.7	307.0
Total expenses	4,016.2	1,262.6	2,417.1	159.3	958.5	336.3	-291.6	8,858.4
Ordinary result before tax	158.4	252.2	80.6	48.1	6.0	-45.0	770.9	1,271.2
Tax on ordinary results								-117.9
Ordinary result after tax								1,153.3
Minority interest								-0.7
Total result after tax								1,152.6

The intergroup adjustments consist of the elimination of the interest on intergroup finance activities and intergroup asset management charges.

Contributions received for health pooling relate to the compensation received for the Health claims with regard to policyholders insured under WTZ conditions. WTZ is a Dutch Law to ensure the accessibility of Health Insurance for people with relatively high risk profiles (pensioners amongst others).

Other income in Health mainly relates to Health services.

Other expenses in other activities mainly consists of holding costs and the operating expenses related to pension administration services and financial services.

Segment Consolidated Income Statement for the Year 2003

EUR million	Life insurance	Non-Life insurance	Health	Asset Management	Banking	Other activities	Holding & intergroup adjustments	Total
Income								
Net earned premiums	2,527.8	1,286.8	1,642.9				-1.8	5,455.7
Contributions received for health pooling			268.9					268.9
Capital gain from Group transactions							-12.5	-12.5
Income from associated companies	1.4	1.2	0.2			0.8	54.8	58.4
Investment income	616.0	104.8	66.9	2.0	-0.5	59.3	-242.2	606.3
Investment income for account of policyholders	582.3		5.7					588.0
Asset management income				263.0			-32.7	230.3
Banking income					1,032.9		-79.8	953.1
Other income	14.7	7.7	269.6	3.3		157.7	0.2	453.2
Total income	3,742.2	1,400.5	2,254.2	268.3	1,032.4	217.8	-314.0	8,601.4
Expenses								
Net claims and movements in technical provisions	3,132.0	917.2	1,713.5					5,762.7
Profit sharing, bonuses and rebates	440.3		35.6				-51.2	424.7
Change in unrealised investment losses	-545.4	-56.0	-91.5					-692.9
Operating expenses insurance and health	390.2	331.4	462.3				-9.5	1,174.4
Asset Management expenses				201.5			-11.0	190.5
Banking expenses					1,079.2		-207.4	871.8
Interest expenses	14.2	0.3	6.9	0.1		121.1	-64.3	78.3
Other expenses	20.9	15.4	22.3			227.6	81.6	367.8
Total expenses	3,452.2	1,208.3	2,149.1	201.6	1,079.2	348.7	-261.8	8,177.3
Ordinary result before tax	290.0	192.2	105.1	66.7	-46.8	-130.9	-52.2	424.1
Tax on ordinary results								-158.3
Ordinary result after tax								265.8
Minority interest								-22.8
Total result after tax								243.0

The intergroup adjustments consist of the elimination of the interest on intergroup finance activities and intergroup asset management charges.

Contributions received for health pooling relate to the compensation received for the Health claims with regard to policyholders insured under WTZ conditions. WTZ is a Dutch Law to ensure the accessibility of Health Insurance for people with relatively high risk profiles (pensioners amongst others).

Other income in Health mainly relates to Health services.

Other expenses in other activities mainly consists of holding costs and the operating expenses related to pension administration services and financial services.

Technical Account Life Insurance

EUR million	2004	2003
Income		
Gross written premium Life	2,878.9	2,602.9
Gross change in provision for unearned premiums	1.8	-2.8
Gross earned premiums	2,880.7	2,600.1
Reinsurance premiums	-233.1	-72.3
Net earned premiums	2,647.6	2,527.8
Investment income	1,008.6	642.8
Investment income for account of policyholders	534.1	586.2
Other technical income	5.0	5.4
Total income	4,195.3	3,762.2
Expenses		
Gross claims policyholders	2,541.6	2,032.2
Reinsurer's share	-47.9	-36.6
	2,493.7	1,995.6
Changes in provision for Life insurance	1,008.2	1,140.4
Reinsurer's share	-173.4	-4.0
	834.8	1,136.4
Claims, net of reinsurance	3,328.5	3,132.0
Profit sharing, bonuses and rebates	212.9	440.3
Change in unrealised investment losses		-545.4
Other technical expenses	22.2	29.3
Investment expenses	39.7	38.8
Operating expenses	448.2	389.3
Investment income allocated to the non-technical account	31.6	34.7
Total expenses	4,083.1	3,519.0
Result technical account, Life insurance	112.2	243.2

Non-Technical Account Life Insurance

EUR million	2004	2003
Income		
Result technical account Life	112.2	243.2
Allocated investment income from technical account Life	31.6	34.7
Other investment income non-technical account	0.7	10.4
Other income	18.3	9.3
Total income	162.8	297.6
Expenses		
Operating expenses	1.6	0.9
Other expenses	2.8	6.7
Total expenses	4.4	7.6
Ordinary result before tax, Life insurance	158.4	290.0

Technical Account Non-Life Insurance

EUR million	2004	2003
Income		
Gross written premium Non-Life	1,470.8	1,432.4
Gross change in provision for unearned premiums gross	-5.4	-25.9
Gross earned premiums	1,465.4	1,406.5
Reinsurance premiums	-109.7	-119.5
Change in provision for unearned premiums, reinsurance share	-0.4	-0.2
	-110.1	-119.7
Net earned premiums	1,355.3	1,286.8
Investment income	154.8	107.1
Other technical income	2.9	1.5
Total income	1,513.0	1,395.4
Expenses		
Gross claims policyholders	872.8	856.4
Reinsurer's share	-35.8	-45.9
	837.0	810.5
Gross change in outstanding claims provisions	59.7	124.0
Reinsurer's share	19.6	-17.3
	79.3	106.7
Claims, net of reinsurance	916.3	917.2
Change in unrealised investment losses		-56.0
Other technical expenses	3.6	5.8
Investment expenses	4.9	2.4
Operating expenses	337.7	331.4
Investment income allocated to the non-technical account	33.9	32.1
Total expenses	1,296.4	1,232.9
Result technical account, Non-Life insurance	216.6	162.5

Non-Technical Account Non-Life Insurance

EUR million	2004	2003
Income		
Result technical account Non-Life	216.6	162.5
Allocated investment income from technical account Non-Life	33.9	32.1
Other investment income non-technical account	0.6	
Other income	5.1	6.2
Total income	256.2	200.8
Expenses		
Other expenses	4.0	8.6
Total expenses	4.0	8.6
Ordinary result before tax, Non-Life insurance	252.2	192.2

Technical Account Non-Life by Class of Business

EUR million	Accident	Motor liability	Motor other	Transport/aviation	Property	General liability	Other	Total 2004
Income								
Gross written premium Non-Life	69.6	427.1	366.4	58.6	367.0	98.1	84.0	1,470.8
Gross change in provision for unearned premiums	-2.4	-5.3	1.0	-0.1	0.6	-0.3	1.1	-5.4
Gross earned premiums	67.2	421.8	367.4	58.5	367.6	97.8	85.1	1,465.4
Reinsurance premiums	-3.5	-14.6	-7.1	-10.7	-53.3	-14.1	-6.4	-109.7
Change in provision for unearned premiums reinsurance share		-0.1	-0.4	0.2		0.4	-0.5	-0.4
	-3.5	-14.7	-7.5	-10.5	-53.3	-13.7	-6.9	-110.1
Net earned premiums	63.7	407.1	359.9	48.0	314.3	84.1	78.2	1,355.3
Investment income, net	5.3	61.8	8.7	4.2	15.8	14.4	44.6	154.8
Other technical income	-0.5				0.9	0.1	2.4	2.9
Total income	68.5	468.9	368.6	52.2	331.0	98.6	125.2	1,513.0
Expenses								
Gross claims policyholders	20.6	333.1	211.3	33.2	169.0	58.0	47.6	872.8
Reinsurer's share	-1.1	-7.3	-4.2	-5.4	-13.3	-3.3	-1.2	-35.8
	19.5	325.8	207.1	27.8	155.7	54.7	46.4	837.0
Gross change in outstanding claims provisions	6.3	51.9	-6.1	3.1	-29.5	30.5	3.5	59.7
Reinsurer's share	-1.5	2.7	2.2	3.8	20.4	-5.5	-2.5	19.6
	4.8	54.6	-3.9	6.9	-9.1	25.0	1.0	79.3
Claims, net of reinsurance	24.3	380.4	203.2	34.7	146.6	79.7	47.4	916.3
Other technical expenses	0.7	1.1		0.2	0.6		1.0	3.6
Investment expenses			0.1	0.1	0.2	0.1	4.4	4.9
Operating expenses	17.2	78.1	75.2	14.0	89.6	25.5	38.1	337.7
Investment income allocated to the non-technical account	-0.4	0.9	-4.3	0.3	-1.6	-1.4	40.4	33.9
Total expenses	41.8	460.5	274.2	49.3	235.4	103.9	131.3	1,296.4
Result technical account, Non-Life insurance	26.7	8.4	94.4	2.9	95.6	-5.3	-6.1	216.6
Result on reinsurance	-0.9	-9.2	-5.5	-8.9	-57.3	-4.1	-2.8	-88.7

Technical Account Non-Life by Class of Business

EUR million	Accident	Motor liability	Motor other	Transport/aviation	Property	General liability	Other	Total 2003
Income								
Gross written premium Non-Life	59.9	407.1	373.5	62.5	352.7	93.0	83.7	1,432.4
Gross change in provision for unearned premiums	0.6	-9.0	-5.8	-1.9	-2.5	-1.4	-5.9	-25.9
Gross earned premiums	60.5	398.1	367.7	60.6	350.2	91.6	77.8	1,406.5
Reinsurance premiums	-3.6	-16.6	-12.1	-11.0	-56.2	-12.5	-7.5	-119.5
Change in provision for unearned premiums reinsurance share		-0.5	-0.2	-0.3	-2.2	0.1	2.9	-0.2
	-3.6	-17.1	-12.3	-11.3	-58.4	-12.4	-4.6	-119.7
Net earned premiums	56.9	381.0	355.4	49.3	291.8	79.2	73.2	1,286.8
Investment income, net ¹	5.9	93.1	11.1	3.9	20.8	21.3	7.0	163.1
Other technical income	-1.5	0.1	0.1		0.1		2.7	1.5
Total income	61.3	474.2	366.6	53.2	312.7	100.5	82.9	1,451.4
Expenses								
Gross claims policyholders	19.6	273.7	227.0	44.0	196.1	54.7	41.3	856.4
Reinsurer's share	-3.3	-14.7	-6.3	-4.1	-13.5	-3.0	-1.0	-45.9
	16.3	259.0	220.7	39.9	182.6	51.7	40.3	810.5
Gross change in outstanding claims provisions	5.9	79.3	2.8	7.9	-3.0	20.8	10.3	124.0
Reinsurer's share		-3.6	-4.0	-6.4	-2.3	2.0	-3.0	-17.3
	5.9	75.7	-1.2	1.5	-5.3	22.8	7.3	106.7
Claims, net of reinsurance	22.2	334.7	219.5	41.4	177.3	74.5	47.6	917.2
Other technical expenses		1.5	0.4	0.2	3.3	0.1	0.3	5.8
Investment expenses		0.6	0.1		0.1	0.3	1.3	2.4
Operating expenses	15.4	74.0	83.6	14.2	89.7	25.5	29.0	331.4
Investment income allocated to the non-technical account	0.6	25.4	-4.0		-1.4	8.8	2.7	32.1
Total expenses	38.2	436.2	299.6	55.8	269.0	109.2	80.9	1,288.9
Result technical account, Non-Life insurance	23.1	38.0	67.0	-2.6	43.7	-8.7	2.0	162.5
Result on reinsurance	-0.1	2.3	-1.2	-0.1	-39.0	-10.6	-0.1	-48.8

¹ Investment income included changes in unrealised investment loss.

Technical Account Health

EUR million	2004	2003
Income		
Gross written premiums Health	1,859.7	1,620.4
Gross change in provision for unearned premiums	1.8	25.4
Gross earned premiums	1,861.5	1,645.8
Reinsurance premiums	-11.0	-3.0
Change in provision for unearned premiums, reinsurance share	0.2	0.1
	-10.8	-2.9
Net earned premiums	1,850.7	1,642.9
Contributions received for health pooling	274.5	268.9
Investment income	104.3	68.6
Investment income for account of policyholders	7.2	5.9
Other technical income	3.5	0.5
Total income	2,240.2	1,986.8
Expenses		
Gross claims policyholders	1,671.6	1,538.6
Reinsurer's share	-5.6	-5.3
	1,666.0	1,533.3
Gross change in outstanding claims provisions	195.3	177.2
Reinsurer's share	2.2	3.0
	197.5	180.2
Claims, net of reinsurance	1,863.4	1,713.5
Profit sharing, bonuses and rebates	25.2	35.6
Change in unrealised investment losses		-91.5
Other technical expenses	16.6	26.1
Investment expenses	1.7	3.4
Operating expenses	211.1	180.1
Investment income/(loss) allocated to the non-technical account	3.0	67.7
Total expenses	2,121.0	1,934.9
Result technical account Health	119.2	51.9

Non-Technical Account Health

EUR million	2004	2003
Income		
Result technical account Health	119.2	51.9
Allocated investment income/(loss) from technical account Health	3.0	67.7
Health services income	251.2	265.6
Other investment income non-technical account	1.9	3.5
Other income	6.2	3.5
Total income	381.5	392.2
Expenses		
Investment and interest expenses	4.4	2.9
Health services expenses	293.9	282.2
Other expenses	2.6	2.0
Total expenses	300.9	287.1
Ordinary result before tax, Health	80.6	105.1

Profit and Loss Account Asset Management

EUR million	2004	2003
Income		
Management fees	201.2	263.0
Trading income	3.2	2.0
Other income	3.0	3.3
Total income	207.4	268.3
Expenses		
Operating expenses	158.8	201.5
Interest and other expenses	0.5	0.1
Total expenses	159.3	201.6
Ordinary result before tax, Asset Management	48.1	66.7

Profit and Loss Account Banking

EUR million	2004	2003
Interest income	871.5	977.7
Interest expenses	-733.2	-769.2
Net interest margin	138.3	208.5
Provisions for loan losses	-26.8	-71.9
Net interest margin after provisions	111.5	136.6
Commission income	35.0	50.4
Commission expense	-29.6	-42.4
	116.9	144.6
Capital gain from restructuring of banking activities	43.2	
Other income	14.9	4.8
Operating expenses	-156.0	-196.0
Other expenses	-13.0	-0.2
Ordinary result before tax, Banking	6.0	-46.8

Profit and Loss Account Other Activities

EUR million	2004	2003
Income		
Brokerage fees	23.0	35.6
Investment income	104.5	59.3
Other income	163.8	122.9
Total income	291.3	217.8
Expenses		
Operating expenses	204.0	186.5
Interest expenses	111.6	121.1
Other expenses	20.7	41.1
Total expenses	336.3	348.7
Ordinary result before tax, Other activities	-45.0	-130.9

Notes to the Consolidated Balance Sheet

(Amounts in millions of euros, unless otherwise stated)

1. Intangible assets

	As at 31 Dec 2004	As at 31 Dec 2003
Balance at 1 January		
Additions	191.5	
Depreciation	-0.3	
Balance at 31 December	191.2	

Until 2003 goodwill paid on acquisitions was debited or credited to shareholders' equity. In anticipation of the change to full IFRS in 2005, goodwill paid on all acquisitions as from 2004 has been capitalised.

2. Investments in associated companies

Name of the company	Country	% ownership 31 Dec 2004	Net		Book value 31 Dec 2003
			asset value 31 Dec 2004	Book value 31 Dec 2004	
Investments in associated companies at net asset value					
Bank Millennium S.A.*	Poland				79.3
F&C Asset Management plc **	United Kingdom	20.58%	1,254.2	258.1	
PZU *	Poland	31.80%	2,227.8	708.5	319.9
				966.6	399.2
Investments in other participating interests:					
MAAF Assurances S.A. (at cost) ***	France				262.6
MAAF Vie, S.A. (at cost) ***	France				51.1
Other participating interests				22.2	29.9
				22.2	343.6
Impairment of investments					
					-98.4
				22.2	245.2
				988.8	644.4

* At the end of 2004 Eureko reduced its share in Bank Millennium from 20.01% to 1.08%. The remaining investment has been reclassified from Investments in associated companies at net asset value to Other investments at fair value.

** In 2004 Eureko sold its fully owned and fully consolidated subsidiary F&C Group (Holdings) Ltd. to ISIS Asset Management plc and received as part of this transaction a minority share of 20.58% in the new combination F&C Asset Management plc.

*** Eureko has transferred its shares in MAAF Assurances S.A. and MAAF Vie, S.A. to Covea, a French holding company, in exchange for a loan. On this loan, Eureko will receive such an amount of interest, that is equal to the amount of dividend that Eureko would have received if Eureko had remained a direct shareholder in MAAF. Covea has granted a pledge on the MAAF shares as security for the loan, while at the same time Covea's obligations towards Eureko have been guaranteed by MAAF. The loan to Covea is reported as part of the Other investments.

	2004	2003
Balance at 1 January	644.4	715.8
Investments	490.1	
Divestments and disposals	-353.0	-28.0
Goodwill	-3.3	
Revaluations	-0.5	-16.6
Annual results	141.8	84.3
Dividend received	-15.8	-6.5
Foreign exchange results	75.2	-65.7
Impairments		-38.4
Other changes	9.9	-0.5
Balance at 31 December	988.8	644.4
Historical cost	1,065.6	1,184.7

3. Other investments

	As at 31 Dec 2004	As at 31 Dec 2003
Real estate	1,508.8	1,461.7
Other financial investment	20,536.5	17,057.5
Deposits with reinsurance companies	11.5	12.9
	22,056.8	18,532.1

Real Estate	Real estate for own use	Real estate in development	Other real estate	Total 2004	Total 2003
Balance at 1 January	392.3	31.0	1,038.4	1,461.7	1,578.8
Purchases and acquisitions	0.6	9.2	8.6	18.4	58.6
Sales and disposals	-20.4	-26.6	-28.2	-75.2	-113.3
Revaluation recognised in equity	0.2	-0.9	37.5	36.8	-14.7
Foreign exchange results	0.1			0.1	-0.6
Other changes	-12.4		0.3	-12.1	-45.7
Transfers	6.6	-1.4	-5.2		-1.4
Acquisition/disposal of companies	13.3		65.8	79.1	
Balance at 31 December	380.3	11.3	1,117.2	1,508.8	1,461.7
Historical costs	492.4	11.3	833.9	1,337.6	1,311.7

The following expert surveys of real estate were conducted in the five previous years. The percentages shown are based on the carrying amount as of 31 December 2004.

Calendar year	2004	2003	2002	2001	2000
Percentage of property assessed	72.5%	17.9%	9.6%		

The rental income for real estate for own use of EUR 26.7 million has been reported as investment income (2003: EUR 33.4 million). These internal charges have been included in the operating expenses.

3. Other investments continued

Other financial investments	Equities and other variable securities	Bonds	Loans	Mortgages	Deposits	Others	Total 2004	Total 2003
Balance at 1 January (excl. provisions)	2,961.4	12,214.2	1,330.5	7.8	497.6	46.9	17,058.4	16,604.4
Investment and loans granted	1,870.8	14,510.5	926.8	5.5	276.0	442.1	18,031.7	24,038.9
Divestments and disposals	-1,357.9	-12,440.7	-1,369.3	-8.3	-604.7	-400.5	-16,181.4	-23,553.7
Revaluations	244.2	601.7	78.8	2.1	0.5	-1.0	926.3	58.6
Impairments								-40.6
Other changes	-0.7	1.6	10.8		7.1	-0.3	18.5	-51.3
Reversal of impairments		0.7					0.7	
Foreign exchange results	-31.0	-19.1			0.3	-0.1	-49.9	2.1
Acquisition/disposal of companies	75.8	317.1	295.9	106.7	-35.5	-27.6	732.4	
	3,762.6	15,186.0	1,273.5	113.8	141.3	59.5	20,536.7	17,058.4
Provisions		-0.1	-0.1				-0.2	-0.9
Balance at 31 December	3,762.6	15,185.9	1,273.4	113.8	141.3	59.5	20,536.5	17,057.5
Historical cost	3,477.1	14,396.1	1,037.7	113.8	141.3	60.1	19,226.1	16,785.2

Eureko Group owns 189,587,213 shares in Banco Commercial Português representing a market value at year end 2004 of EUR 358.3 million. These shares are included in Equities and other variable securities. For 116,335,744 shares (3.6%), the free marketability is restricted due to shareholders' agreements.

The carrying value of securities under repurchase agreements amounts to EUR 5,152.4 million (2003: EUR 4,533.6 million).

Equities

	As at 31 Dec 2004	As at 31 Dec 2003
Listed equity	2,502.8	1,643.1
Unlisted equity	1,259.8	1,317.8
	3,762.6	2,960.9

In unlisted equity, investment funds of EUR 616.3 million (2003: EUR 686.7 million) are included. Those investment funds mainly consist of listed equity.

Analysis of fixed-interest securities by time to maturity

	Bonds	Loans	Mortgages	Total 2004	Total 2003
Under 3 months	95.0	13.1		108.1	181.2
3–12 months	2,979.8	305.1	0.7	3,285.6	979.2
1–5 years	2,946.8	426.7	9.8	3,383.3	3,906.9
Over 5 years	9,164.4	528.6	103.3	9,796.3	8,484.8
Balance at 31 December	15,186.0	1,273.5	113.8	16,573.3	13,552.1

Deposits

This item relates to deposits outstanding with credit institutions and is at the disposal of the Company.

Others

This item relates to business start-up loans, policy loans and other investments and is at the disposal of the Company.

4. Investments on behalf of policyholders

	2004	2003
Balance at 1 January	6,925.5	6,351.3
Investments/advances	4,384.1	4,313.2
Disposals/redemptions	-4,477.5	-4,354.0
Revaluations	536.4	588.0
New operating companies	660.7	27.0
Balance at 31 December	8,029.2	6,925.5

5. Banking credit portfolio

	As at 31 Dec 2004	As at 31 Dec 2003
Credit institutions:		
- Loans and advances to banks	1,459.1	366.5
- Cash advances, overdrafts and other balances due on demand	189.8	530.3
	1,648.9	896.8
Loans:		
- Mortgage loans guaranteed by public authorities	2,200.0	2,104.6
- Other mortgages	11,181.0	10,792.3
- Other personal lending	1,165.0	1,464.6
- Other corporate loans	567.3	1,725.0
- Non performing	122.9	297.8
	15,236.2	16,384.3
	16,885.1	17,281.1
Provision for bad debts	-103.8	-147.6
	16,781.3	17,133.5

5. Banking credit portfolio continued

Analysis of credit institutions by time to maturity	As at	As at
	31 Dec 2004	31 Dec 2003
Under 3 months	1,641.4	894.2
3–12 months	2.5	0.3
1–5 years	5.0	
Over 5 years		2.3
	1,648.9	896.8

Analysis of loans by time to maturity

Analysis of loans by time to maturity	As at	As at
	31 Dec 2004	31 Dec 2003
Under 3 months	1,926.1	1,582.9
3 to 12 months	1,967.5	2,094.9
1 to 5 years	4,316.1	3,825.4
Over 5 years	6,881.3	8,554.4
Overdue	145.2	326.7
	15,236.2	16,384.3

The total amount repayable on demand is EUR 91.2 million as at 31 December 2004 (2003: EUR 477.8 million).

As at 31 December 2004, EUR 11,403.0 million (2003: EUR 11,414.3 million) of the total of government-guaranteed and/or mortgage-backed loans was not freely disposable because of money and capital market pledges. These pledges can be analysed as follows:

	As at	As at
	31 Dec 2004	31 Dec 2003
– Pledge by means of trust arrangements	5,694.0	6,559.2
– Pledge by means of securisation	4,111.4	3,257.8
– Third-party pledge	1,597.6	1,597.3
	11,403.0	11,414.3

6. Receivables

Receivables from direct insurance:	As at	As at
	31 Dec 2004	31 Dec 2003
– Policyholders	352.8	409.6
– Agents	106.5	99.0
– Other	5.8	12.8
	465.1	521.4
Investment receivables	72.8	120.3
Reinsurance receivables	48.0	54.6
Other receivables	643.2	839.2
	1,229.1	1,535.5
Provision for bad debts	-66.2	-56.2
	1,162.9	1,479.3

Loans to executive and supervisory directors as at 31 December 2004 amounted to EUR 6.2 million (31 December 2003: EUR 6.0 million) at an average interest rate of 5.4% (2003: 5.7%). Repayments during 2004 amounted to EUR 1.3 million (2003: EUR 0.7 million).

7. Other assets

	As at 31 Dec 2004	As at 31 Dec 2003
Equipment	105.4	146.0
Securities in the trading portfolio	11.0	9.7
Cash and cash equivalents	389.9	1,249.7
Deferred taxes	216.6	326.4
Other assets	58.8	86.0
	781.7	1,817.8

Equipment	Hardware	Software	Office furniture	Other	Total 2004	Total 2003
Balance at 1 January	33.8	31.6	25.5	55.1	146.0	176.8
Acquisitions	12.1	5.3	2.8	15.1	35.3	57.4
Internally developed		11.0			11.0	2.2
Depreciation	-19.7	-13.3	-10.1	-15.3	-58.4	-69.7
Impairments and disposals	-0.2	-16.4	-1.2	-5.8	-23.6	-20.5
Foreign exchange results	-0.4	-0.4	-0.3		-1.1	-0.7
Other changes	-0.8	0.6	-0.6	0.7	-0.1	-3.6
Reversal of impairments						3.1
Acquisition/disposal of companies	-1.5	0.1	-1.7	-0.6	-3.7	1.0
Balance at 31 December	23.3	18.5	14.4	49.2	105.4	146.0
Cumulative amortisation and impairment losses	-119.7	-44.5	-65.7	-66.8	-296.7	-232.6

Cash and cash equivalents	As at 31 Dec 2004	As at 31 Dec 2003
Bank balances	127.3	618.3
Call deposits	262.6	620.9
Short-term government bonds		10.5
	389.9	1,249.7

Deferred taxes

Deferred tax assets and liabilities are attributable to the following items:

	Deferred tax assets	Deferred tax liabilities	Net 2004	Net 2003
Investments	51.3	439.5	-388.2	-188.3
Reinsurance		12.5	-12.5	-8.9
Bank assets				0.4
Deferred acquisition costs	3.4	20.4	-17.0	-18.7
Technical provisions	449.4	15.0	434.4	257.5
Other provisions	94.6	31.8	62.8	66.7
Depreciation		4.4	-4.4	-4.6
Tax value of losses carried forward	79.4		79.4	172.8
Other	66.4	4.3	62.1	49.5
Net deferred tax asset/liability	744.5	527.9	216.6	326.4

8. Prepayments and accrued income

	As at 31 Dec 2004	As at 31 Dec 2003
Deferred acquisition costs insurance:		
– Life	333.1	238.2
– Non-Life	7.9	6.8
– Health	2.3	1.3
Accrued interest	663.3	657.4
Other	297.5	342.2
	1,304.1	1,245.9

	Life	Non-Life	Health	Total 2004	Total 2003
Deferred acquisition costs insurance					
Balance at 1 January	238.2	6.8	1.3	246.3	240.3
Deferred acquisition costs	92.8	6.4	2.4	101.6	89.2
Amortisation	-100.6	-5.9	-1.4	-107.9	-86.9
Impairment losses	0.9			0.9	3.3
Other changes	-0.4	0.6		0.2	0.4
Acquisition/disposal of companies	102.2			102.2	
Balance at 31 December	333.1	7.9	2.3	343.3	246.3

9. Capital and reserves

The movements in capital and reserves are disclosed in the notes to the Company Balance Sheet.

10. Minority interest

	As at 31 Dec 2004	As at 31 Dec 2003
Minority interest	1.4	365.5

In 2003 the minority interest mainly consisted of preference shares issued to third parties by Achmea Holding N.V. In 2004 Eureko B.V. acquired the preference shares issued by Achmea Holding N.V. All other minority interest consists of operating companies that are not fully owned by Eureko.

11. Fund for general banking risks

	As at 31 Dec 2004	As at 31 Dec 2003
Balance at 1 January	44.9	44.9
Acquisition/disposal of companies	-4.3	
Corporate tax	2.2	
Balance at 31 December	42.8	44.9

12. Technical provisions

	Gross	Reinsurance Share	Net 2004	Net 2003
Life insurance:				
Provision for life policy liabilities	16,684.7	-242.7	16,442.0	15,245.6
Less deferred interest surplus rebates	-179.3		-179.3	-195.3
	16,505.4	-242.7	16,262.7	15,050.3
Profit sharing, bonuses and rebates	1,159.4		1,159.4	640.0
Other technical provisions	75.5	1.6	77.1	60.0
Total Life insurance	17,740.3	-241.1	17,499.2	15,750.3
Non-Life insurance:				
Unearned premiums and unexpired risks	454.3	-1.0	453.3	432.3
Outstanding claims	1,703.8	-181.4	1,522.4	1,405.3
Incurred but not reported claims IBNR	188.6	-4.6	184.0	194.2
Total Non-Life insurance	2,346.7	-187.0	2,159.7	2,031.8
Health:				
Unearned premiums	34.1	0.7	34.8	20.5
Outstanding claims	1,384.4	-31.7	1,352.7	1,079.2
Incurred but not reported claims	357.2	-10.1	347.1	322.2
Ageing provision for Health insurance	146.1		146.1	132.3
Total Health	1,921.8	-41.1	1,880.7	1,554.2
Total technical provisions	22,008.8	-469.2	21,539.6	19,336.3

In 2004, Achmea released EUR 84 million (2003: EUR 140.0 million) as excess of Life technical provisions for profit sharing, bonuses and rebates.

These provisions are essentially of a long-term nature, with the exception of the provision for unearned premiums.

The actuarial interest rate range in the Group was between 3.0% and 4.0%.

The provision for pension commitments for own employees as at 31 December 2004 amounted to EUR 1,043.4 million (2003: 791.6 million).

Deferred interest surplus rebates	2004	2003
Balance at 1 January	195.3	230.2
Rebates granted	22.0	19.4
Amortisation	-54.1	-54.3
Acquisition/disposal of companies	16.1	
Balance at 31 December	179.3	195.3

13. Other provisions

	As at 31 Dec 2004	As at 31 Dec 2003
Restructuring provisions	64.8	23.5
Pension provision	220.6	245.0
Other employee benefits	21.3	23.9
Other general provisions	84.7	67.6
	391.4	360.0

The provision for other employee benefits relates amongst others to post-employment and post-retirement benefits to employees as well as the costs that come to the expense of the employer in cases of disability of employees (Dutch Pemba regulations). This Pemba provision was set up in 2003 as Achmea became own risk carrier.

Restructuring provisions	2004	2003
Balance at 1 January	23.5	13.8
Provisions made	91.1	22.4
Provisions reversed	-0.7	-0.1
Provisions used	-49.1	-12.6
Balance at 31 December	64.8	23.5

Restructuring provisions are mainly for restructuring the Dutch activities.

Pension provisions	2004	2003
Balance at 1 January	245.0	251.9
Contributions made	-185.9	-137.7
Expenses recognised in income:		
– Current service costs	93.6	91.2
– Depreciation actuarial gains and losses	8.6	9.6
– Interest on obligation	80.0	72.8
– Expected return on plan assets	-49.4	-42.1
	132.8	131.5
Foreign exchange results		-0.7
Acquisition/disposal of companies	28.7	
Balance at 31 December	220.6	245.0

Pension schemes

The pension liability for the Group Companies as at 31 December, based on an actuarial valuation of the projected benefits, is as follows:

	Netherlands	Greece	Ireland	Total 2004	Total 2003
Defined benefit obligation	1,908.0	23.3	40.0	1,971.3	1,581.6
Less fair value of plan assets	1,316.9	14.0	35.4	1,366.3	1,134.9
Funded status	591.1	9.3	4.6	605.0	446.7
Unrecognised actuarial gains and (losses)	-385.5		1.1	-384.4	-201.7
Balance at 31 December	205.6	9.3	5.7	220.6	245.0

As at 31 December 2004 the basic actuarial assumptions used for valuation purposes are:

The discount rate range in the Group was between 4.5% and 5% (2003: between 4.7% and 6.0%). The discount rate relating to the Dutch activities has been decreased from 5% (2003) to 4.5% in 2004.

The consumer price inflation in the Group is 2.0% (2003: between 1.8% and 2.8%).

The expected rate of salary increases is 2.7% (2003: 2.9%).

The expected rate of return for 2004 on plan assets is 4.8% (2003: 4.3%).

Background information on pension schemes not reflected in the Balance sheet

For the recognition of unrealised actuarial gains or losses the corridor method is followed. Under this method the amount outside the corridor will be amortised over the remaining average services lives of the employees.

13. Other provisions continued

Other general provisions	2004	2003
Balance at 1 January	67.6	107.2
Provisions made	62.2	42.1
Provisions used	-20.4	-63.4
Provisions reversed	-7.1	-18.3
Acquisition/disposal of companies	-17.6	
Balance at 31 December	84.7	67.6

Other general provisions relate to existing claims and obligations for which there is uncertainty about the timing or the amount of the payment to be made.

14. Banking customer accounts

	As at 31 Dec 2004	As at 31 Dec 2003
Deposits	1,130.3	1,241.0
Other funds entrusted	4,714.5	5,732.7
Banking customer accounts	5,844.8	6,973.7

Analysis of deposits by time to maturity

	As at 31 Dec 2004	As at 31 Dec 2003
On demand	9.5	1.3
Under 3 months	175.6	195.4
3-12 months	272.6	206.6
1-5 years	668.1	806.4
Over 5 years	4.5	31.3
	1,130.3	1,241.0

Analysis of other funds entrusted by time to maturity

	As at 31 Dec 2004	As at 31 Dec 2003
On demand	2,429.6	2,971.1
Under 3 months	581.4	665.2
3-12 months	325.3	370.4
1-5 years	1,171.4	997.7
Over 5 years	206.8	728.3
	4,714.5	5,732.7

15. Loans and borrowings

This note provides information on the contractual terms of the Group's loans and borrowings. Information on the Group's exposure to interest and foreign currency risk is provided on page 121.

	As at 31 Dec 2004	As at 31 Dec 2003
Secured bank loans	7,928.7	7,463.7
Unsecured bank issues	1,239.4	1,397.7
Others	101.1	535.3
	9,269.2	9,396.7

Secured bank loans include debenture loans issued by Achmea Hypotheekbank N.V. These loans are in various base currencies. Collateral has been provided in respect of a significant portion of the loans issued by Achmea Hypotheekbank N.V. by means of a trust arrangement.

As at 31 December 2004, the total loans outstanding to finance the banking activity were EUR 8,737.7 million (2003: EUR 8,390.3 million).

The consolidated non-bank external debt is EUR 531.5 million (2003: EUR 1,006.4 million) leading to a debt leverage of 11% (2003: 36%).

Unsecured bank issues	As at 31 Dec 2004	As at 31 Dec 2003
Unsecured loans issued by Achmea Bank Holding N.V.	126.4	126.4
Debenture loans issued by Achmea Holding N.V.	500.0	500.0
Debenture loans issued by Achmea Hypotheekbank N.V.		347.3
Commercial paper issued by Achmea Hypotheekbank N.V.	183.0	184.0
Revolving credit facility issued by Friends First Finance Ltd.	51.0	
Syndicated Term Loan issued by Friends First Finance Ltd.	189.0	
Floating rate notes issued by Eureko B.V.	190.0	240.0
	1,239.4	1,397.7

The average interest rate on the unsecured loans for 2004 was 4.4% (2003: 4.3%).

The debenture loans and the commercial paper included in unsecured bank issues form part of debt-issuance programmes, under which loans can be provided up to an agreed amount at predetermined terms. The maximum size of the debt-issuance programme of Achmea Hypotheekbank N.V. amounts to EUR 10 billion. The maximum scope of the debt-issuance programme for debenture loans contracted by Achmea Holding N.V. is EUR 2.5 billion. The maximum set for the commercial paper programme of Achmea Hypotheekbank N.V. is EUR 2.5 billion. The debenture loans carry interest at 5% (2003: 4.7%) and the commercial paper carries interest at 2.2% (2003: 2.2%) on average.

The Syndicated Term loan and the Revolving Credit Facility issued by Friends First Finance Ltd. form part of debt-issuance programmes, under which loans can be provided up to an agreed amount at predetermined terms. The maximum size of the debt-issuance programme amounts to EUR 270 million. The average interest on these loans are 4.2% in 2004. The Revolving Credit Facility is redeemable in 2007.

The floating rate notes are redeemable in 2006 and the average interest percentage in 2004 is 2.1% (2003: 3.1%).

In 2004 Eureko has been granted a Revolving Credit Facility of EUR 50 million which is redeemable in 2007. No draw down has been made from this loan.

Analysis loans and borrowings by time to maturity	As at 31 Dec 2004	As at 31 Dec 2003
Under 3 months	454.8	680.0
3 months –1 year	1,338.9	900.4
1–2 years	1,076.3	1,220.3
2–5 years	2,263.5	3,373.5
Over 5 years	4,135.7	3,222.5
	9,269.2	9,396.7

16. Other liabilities

	As at 31 Dec 2004	As at 31 Dec 2003
Liabilities out of direct insurance:		
– Policyholders	338.3	410.5
– Agents	31.9	25.5
– Other	3.9	21.8
	374.1	457.8
Investment liabilities	34.1	36.7
Credit institutions	0.7	300.3
Reinsurance liabilities	72.2	46.5
Taxes and social security premiums	143.9	79.4
Creditors	133.1	101.4
Other	576.4	672.5
	1,334.5	1,694.6

17. Accruals and deferred income

	As at 31 Dec 2004	As at 31 Dec 2003
Prepaid premiums	27.9	14.0
Investment income received in advance and interest payable	364.2	382.7
Other	357.6	471.1
	749.7	867.8

Supplementary notes

Contingencies

Legal procedures

Eureko Group is involved in lawsuits and arbitration proceedings. These actions relate to claims instituted by and against these companies arising from ordinary operations and mergers, including the activities carried out in their capacity as insurers, credit providers, employers, investors and tax payers. Although it is not possible to predict or define the outcome of pending or imminent legal proceedings, the Executive Board believes that it is unlikely that the outcome of the actions will have a material, negative impact on the financial position of the operating results of Eureko B.V.

Operating leases

Non-cancellable operating lease rentals are payable as follows:

	As at 31 Dec 2004	As at 31 Dec 2003
Under 1 year	61.5	65.6
1–5 years	118.8	121.7
Over 5 years	57.4	40.2
	237.7	227.5

Other contingent liabilities

	As at 31 Dec 2004	As at 31 Dec 2003
Contracted pre-investments	18.3	21.7
Guarantees	686.4	630.7
Irrevocable letters of credit	422.6	691.0
Other commitments	32.1	49.3
	1,159.4	1,392.7

The Dutch-based insurance companies of Eureko have given guarantees to the Nederlandse Herverzekeringsmaatschappij voor Terrorismeschaden N.V. to a maximum of EUR 43.6 million. Nederlandse Herverzekeringsmaatschappij voor Terrorismeschaden N.V. is a company in which the participating insurance companies pool the claims and risks relating to terrorism. The guarantee of EUR 43.6 million is part of the total amount of guarantees as presented under other contingent liabilities.

Under the PZU IPO privatisation agreements, Eureko and PZU have agreed that 21% of PZU S.A.'s shares shall be offered to Eureko and Eureko is committed to buy those shares without reservation. The price of those shares shall be the highest of the 'purchasing price' under the 'Agreement on the Sale of Shares' or 'Institutional Book-building' price at IPO.

At year end 2004 Eureko bought an additional 10% stake in PZU from Millennium Bank at a price based on an estimated IPO value. Parties agreed that adjustments will be made to this price dependant on the actual price at IPO, taking into account a discount of 20% on the excess of the initial sales price. If no IPO takes place before 30 November 2005, a possible adjustment will be based on an independent Sum of the Parts valuation of PZU.

Foreign exchange risks

The sum of the equivalent in local currency of the assets denominated in foreign currency amounted to EUR 1,315.1 million (2003: EUR 626.5 million) and of the liabilities in foreign currency to EUR 164.1 million (2003: EUR 226.0 million). The assets consist mainly out of investments in Poland (2004: EUR 708.7) and Great Britain (2004: EUR 399.0).

Charged assets

In connection with security for items included under liabilities and for off-balance sheet contingent liabilities, as well as in connection with transactions on the money and capital markets and foreign exchange transactions, the following assets serve as security and are for that reason no longer at the Group's disposal:

	Loans	Interest bearing securities
Transactions on the money and capital markets and foreign exchange	11,286.8	27.5
Banks		20.7

Capital commitments

	Outstanding as at 31 Dec 2003	Granted in 2004	Exercised in 2004	Outstanding as at 31 Dec 2004
Number of options outstanding equal number of shares held				
Option type 1				
Friends Provident Investment Holdings Plc.	6,653,531			6,653,531
Länsförsäkringar Liv Forsakringsaktiebolag	1,761,294			1,761,294
Länsförsäkringar SAK Forsakringsaktiebolag	1,761,294			1,761,294
Schweizerische Mobiliar Holding AG	2,769,246			2,769,246
Gothaer Allgemeine Versicherung AG	1,849,108			1,849,108
Gothaer Lebensversicherung AG	1,369,558			1,369,558
ASSTEL Lebensversicherung AG	836,924			836,924
	17,000,955			17,000,955
Option type 2				
MAAF Assurances S.A.	5,585,596		5,585,596	
MAAF Vie S.A.	1,081,644		1,081,644	
Covea Part. SAS		6,667,240		6,667,240
	6,667,240	6,667,240	6,667,240	6,667,240
Option type 3				
Mr. Dimitrios Contominas	8,722,752			8,722,752
Dievropaiki S.A.	2,347,072			2,347,072
	11,069,824			11,069,824
	34,738,019	6,667,240	6,667,240	34,738,019

Option type 1

Options can be exercised until the date of admission of the ordinary shares in the capital of Eureko to listing on the stock exchange. The value of the shares subject to the option agreements will be determined by an expert third party based on agreed valuation principles. Upon exercise the options will be settled against issuance by Eureko of a subordinated debt instrument having an interest deferral provision of up to five years. Eureko's commitment under these options is maximised at EUR 438 million.

Option type 2

In 2004, MAAF Assurances S.A. and MAAF Vie S.A. transferred their shareholding in Eureko to Covea Part. SAS and Eureko transferred its shareholdings in MAAF Assurances S.A. and MAAF Vie S.A. also to Covea Part SAS. As part of these transactions, Eureko acquired a 5% interest in Covea Part SAS and granted a loan to Covea. The option can be exercised as of 1 October 2006 until the date of admission of the ordinary shares in the capital of Eureko to a listing on the stock exchange. The value of the shares subject to the option agreement will be determined by an expert third party based on agreed valuation principles. Upon exercising the option it will be settled against the loan granted to Covea by Eureko.

Option type 3

Options can be exercised until the date of admission of the ordinary shares in the capital of Eureko to listing on the stock exchange. The value of the shares subject to the option agreements will be determined by an expert third party based on agreed valuation principles. Upon exercise the options will be settled against cash and issuance by Eureko of a subordinated debt instrument having an interest deferral provision of up to five years. The shares subject to this option agreement have been reduced by a number to be determined by dividing EUR 127 million by the value per share determined as of 31 December 2005 as determined by an expert third party based on agreed valuation principles.

Capital rights

Eureko has a call option on the Eureko shares held by Covea Part SAS. Upon exercise the option will be settled against the loan granted to Covea by Eureko.

Derivatives

Derivatives are financial instruments embodied in contracts the value of which depends on one or more underlying assets, reference prices or indices. Derivatives are agreements for the exchange of future cash flows, for which the date and size may depend on the trend in market prices of certain assets, reference prices or indices. Examples of derivatives include forward exchange contracts, options, swaps, futures and forward rate agreements. Eureko uses derivatives to control market risks such as the interest and foreign exchange risk to meet clients' needs for trading purposes.

The tables below offer an arithmetical presentation to explain derivative activities. The first table gives the notional amount per type of contract as at balance sheet date, broken into the remaining term and the positive replacement value of those contracts. The second table shows the weighted and unweighted credit equivalents.

The notional amount is the basis laid down in the agreement for calculating the size of the cash flows to be exchanged and indicates the scale of the activities under the type of contract concerned.

The positive replacement value is the present value of all cash flows yet to be exchanged under the contracts which, based on the market conditions as at the balance sheet date, would result in a loss for the Group in case of premature termination. The unweighted credit equivalent is the positive replacement value plus a certain percentage of the notional amount and gives an indication of the future credit risk. The mark-up rates are based on international criteria and depend on the nature of the contracts and the remaining term.

The weighted credit equivalent is found by multiplying the unweighted credit equivalent by a factor ranging from 0 to 100%, depending on the risk rating of the counter party involved.

Interest rate contracts have been entered into to cover interest risk from balance sheet positions. Foreign exchange contracts are primarily concluded as a service to clients and to hedge proprietary foreign exchange positions.

	Under 1 year	1-5 years	Over 5 years	Total	Positive replacement value
Interest rate contracts					
Over the counter contracts					
– Swaps	1,831.8	5,758.8	4,947.1	12,537.7	393.5
– Forwards	2,200.0			2,200.0	0.3
– Options	498.3			498.3	0.1
Foreign exchange contracts					
Over the counter contracts					
– Swaps	1,770.9	35.0		1,805.9	56.6
– Forwards	4,474.1	1.1		4,475.2	42.2
Total derivatives	10,775.1	5,794.9	4,947.1	21,517.1	492.7

	Unweighted	Weighted
Interest rate contracts	502.3	187.9
Foreign exchange contracts	126.7	232.7
	629.0	420.6

Related parties

Shareholders

The main shareholders of Eureko is the Vereniging Achmea via Stichting Administratiekantoor Achmea, which owns 57.16% of the shares (65.11% of the voting rights). These percentages are based on the legal situation as per 31 December 2004.

In 2004 Eureko acquired 100% of the shares in Levob B.V. from its majority shareholder Association Achmea by way of a contribution in kind on the issue of shares.

In 2004 Eureko merged its fully owned F&C Asset Management Activities with ISIS, a fully consolidated listed subsidiary of Friends Provident, which is a 2.51% shareholder of Eureko. After the merger Eureko owns 20.58% of the shares in the new combination and is as a result no longer the controlling shareholder. As part of the transaction, agreements have been made between parties about the continuation of the Asset Management activities for the Eureko group by the new combination for the coming 10 years. The agreed fees are market based.

At year end Eureko sold to its shareholder and Supervisory Board member Mr Contominas a 5.47% stake in Bank Millennium. The transaction was done at arms' length conditions.

During the year 2004, Mr E. A. J. van de Merwe, who is a Supervisory Board member, acted as Board member at Achmea Bank for which a market-based compensation has been paid.

Significant subsidiaries

The most important operating companies are as follows:

Operating company	Head office	Economic activity	% ownership 31 Dec 2004
Achmea Holding N.V.	Zeist, The Netherlands	Insurance, Banking	100.0%
Friends First Holdings Ltd.	Dublin, Ireland	Insurance, Banking	100.0%
Interamerican Hellenic Life Insurance Company S.A.	Athens, Greece	Insurance	99.8%
Union Poistövná A.S.	Bratislava, Slovakia	Insurance	97.3%
Império Assurances S.A.	Paris, France	Insurance	100.0%
Interlife Insurance Company Ltd.	Nicosia, Cyprus	Insurance	86.8%
Interamerican Romania Insurance Company S.A.	Bucharest, Romania	Insurance	79.6%
Interamerican Bulgaria Insurance Company S.A.	Sofia, Bulgaria	Insurance	100.0%
Eureko Reinsurance S.A.	Luxembourg, Luxembourg	Reinsurance	100.0%

Notes to the Consolidated Income Statement

18. Gross written premiums Life

Gross written premiums	2004	2003
– Achmea	1,947.3	1,787.4
– Friends First	560.7	472.4
– Interamerican	221.5	217.5
– Other	149.4	125.6
	2,878.9	2,602.9

Gross written premiums 2004	Individual policyholders	Group	Account policyholders	Other	Total
– Achmea	493.5	702.7	657.6	93.5	1,947.3
– Friends First	50.9	58.5	451.3		560.7
– Interamerican	141.8	17.9	61.6	0.2	221.5
– Other	128.1	4.2	17.1		149.4
	814.3	783.3	1,187.6	93.7	2,878.9

Gross written premiums 2003	Individual policyholders	Group	Account policyholders	Other	Total
– Achmea	475.7	779.9	462.3	69.5	1,787.4
– Friends First	52.7	59.8	359.9		472.4
– Interamerican	141.8	13.5	62.2		217.5
– Other	117.6	3.5	2.8	1.7	125.6
	787.8	856.7	887.2	71.2	2,602.9

Gross written premiums – Life Insurance	Single premiums	Annual premiums	Total 2004	Single premiums	Annual premiums	Total 2003
Individual Life insurance						
– with profit sharing	268.3	181.0	449.3	355.3	170.8	526.1
– without profit sharing	92.9	365.8	458.7	74.1	257.8	331.9
– for account policyholders	333.6	397.4	731.0	176.5	372.1	548.6
Group Life insurance						
– with profit sharing	360.6	381.0	741.6	334.8	488.3	823.1
– without profit sharing	2.3	39.4	41.7	1.8	31.8	33.6
– for account policyholders	183.5	273.1	456.6	166.7	172.9	339.6
	1,241.2	1,637.7	2,878.9	1,109.2	1,493.7	2,602.9

19. Gross written premiums Non-Life

Gross written premiums 2004	Accident	Motor liability	Motor other	Transport/aviation	Property	General liability	Other	Total
– Achmea	66.1	360.0	342.4	54.3	330.6	89.7	61.8	1,304.9
– Interamerican	2.6	59.7	21.0	3.4	28.9	5.8	11.8	133.2
– Other	0.9	7.4	3.0	0.9	7.5	2.6	10.4	32.7
	69.6	427.1	366.4	58.6	367.0	98.1	84.0	1,470.8

Gross written premiums 2003

– Achmea	57.1	349.8	351.7	58.5	320.6	85.8	62.3	1,285.8
– Interamerican	2.6	56.9	21.8	3.5	29.4	5.4	11.6	131.2
– Other	0.2	0.4		0.5	2.7	1.8	9.8	15.4
	59.9	407.1	373.5	62.5	352.7	93.0	83.7	1,432.4

20. Gross written premiums Health

Gross written premiums:	Health insurance	Occupational Health insurance	Total 2004	Health insurance	Occupational Health insurance	Total 2003
– Achmea	1,480.3	337.5	1,817.8	1,250.2	340.7	1,590.9
– Interamerican	41.9		41.9	33.9		33.9
– Other				–4.4		–4.4
	1,522.2	337.5	1,859.7	1,279.7	340.7	1,620.4

21. Capital gain from Group transactions

	2004	2003
Capital gain from Group transactions	666.5	–12.5

The capital gain on the sale of subsidiary and associated companies (2004) comprises the results on the sale of F&C Group (Holdings) Ltd., Intertrust S.A., Bank Millennium S.A. and Finanziaria Europea di Assicurazioni Spa.

22. Income from associated companies

Results from investments in associated companies concern the result of the shareholding in the following companies:

	2004	2003
Bank Millennium, S.A.	4.3	1.8
PZU, S.A.	110.5	86.9
MAAF Assurances S.A., MAAF Vie S.A., dividend	2.7	0.8
	117.5	89.5
Impairment		–38.4
Other	11.1	7.3
	128.6	58.4

The impairment results 2003 relate to the decrease in value of MAAF Assurances S.A. and MAAF Vie S.A.

23. Investment income

	2004	2003
Income from real estate	102.9	105.4
Direct income other financial investments		
– Equities	103.7	67.0
– Bonds	621.6	597.1
– Loans	62.3	114.9
– Mortgages	4.1	0.7
– Deposits	19.4	28.1
– Others	34.2	83.3
	845.3	891.1
Realised gains and losses		
– Real estate	-0.7	0.3
– Equities	59.5	-662.3
– Fixed income investments	160.6	288.6
– Others	2.0	0.6
	221.4	-372.8
	1,169.6	623.7
Less investment expenses	24.5	17.4
	1,145.1	606.3
Change in unrealised investment losses		
– Equities	15.8	677.9
– Others	0.7	15.0
	16.5	692.9

The unrealised investment income accounted for in the income statement 2003 and 2004 is mainly related to the reversal of the unrealised investment losses of 2002.

Total investment income for real estate and equities

	2004	2003	2002	2001	2000
Income from real estate	102.9	105.4	106.4	89.5	90.3
Direct investment income equities	103.7	67.0	96.5	107.8	180.9
Change in unrealised investment gains/(losses)*	65.1	693.0	-1,372.3	-886.3	-131.1
Realised gains (and losses)	58.8	-662.0	-240.7	416.2	419.8
Investment expenses	-9.4	-9.5	-15.0	-5.8	-30.0
Total	321.1	193.9	-1,425.1	-278.6	529.9

* Of the total amount of unrealised gains (and losses) for 2004 of EUR 65.1 million an amount of EUR 15.8 million has been accounted for via the income statement. The remaining has been transferred to revaluation reserves.

24. Banking income

	2004	2003
Interest	848.7	914.0
Commissions	26.5	33.8
Other	14.9	5.3
	890.1	953.1

25. Net claims and movement in technical provisions

	2004	2003
Life:		
Claims paid gross	2,547.2	2,031.9
Changes in technical provisions	824.3	1,139.8
Reinsurer's share	-43.4	-40.1
	3,328.1	3,131.6
Non-Life:		
Claims paid gross	822.0	802.5
Changes in technical provisions	59.9	124.0
Reinsurer's share	-16.3	-61.8
	865.6	864.7
Health:		
Claims paid gross	1,624.6	1,506.2
Changes in technical provisions	195.3	177.2
Reinsurer's share	-3.4	-2.3
	1,816.5	1,681.1
Claims handling expenses	98.0	85.3
Net claims and movements in technical provisions	6,108.2	5,762.7

26. Profit-sharing, bonuses and rebates

	2004	2003
Amortisation interest surplus rebates	54.1	54.3
Company profit sharing	176.4	370.4
	230.5	424.7

The profit sharing includes the movements in the provision for profit sharing, bonuses and rebates that are related to policyholders' future rights to investment gains. The movements comprise the realised gains and losses on fixed income securities that are transferred to the provision as well as the movements resulting from the adequacy tests.

27. Operating expenses, insurance and health

	2004	2003
Staff costs	574.3	596.8
Commissions	261.1	232.0
Other operating expenses	570.0	448.3
Operating expenses, insurance and Health	1,405.4	1,277.1
Less claims handling expenses	98.0	85.3
Less investment expenses	24.5	17.4
	1,282.9	1,174.4

Specification	Life insurance	Non-Life insurance	Health	2004	Life insurance	Non-Life insurance	Health	2003
Acquisition costs	198.9	198.2	139.8	536.9	199.6	182.3	113.9	495.8
Change in deferred acquisition costs	6.9	-0.5	-1.0	5.4	-5.4	-0.5	-0.1	-6.0
Depreciation of tangible fixed assets	8.5	1.8	12.8	23.1	8.2	2.8	16.9	27.9
Administrative expenses	239.4	143.7	354.2	737.3	189.8	154.5	332.2	676.5
Commissions and profit sharing reinsurance	-3.9	-5.2	-0.8	-9.9	-2.0	-7.7	-0.6	-10.3
	449.8	338.0	505.0	1,292.8	390.2	331.4	462.3	1,183.9
Intergroup adjustments*				-9.9				-9.5
				1,282.9				1,174.4

* The Intergroup adjustments relate to costs charged by group companies to the insurance activities.

28. Asset Management expenses

	2004	2003
Staff costs	83.7	118.8
Other costs	64.7	71.7
	148.4	190.5

29. Banking expenses

	2004	2003
Interest	582.0	636.9
Additions to provisions for loan losses	26.8	71.9
Staff costs	66.1	80.4
Depreciation of tangible fixed assets	7.0	14.2
Others	67.1	68.4
	749.0	871.8

30. Total staff costs all operations

The staff costs included in the (operating) expenses can be summarised as follows:

	2004	2003
Insurance activities and Health services	574.3	596.8
Asset Management activities	83.7	118.8
Banking activities	66.1	80.4
Other activities	292.5	289.5
	1,016.6	1,085.5

The staff costs can be specified as follows:

Salaries	620.7	667.2
Social security charges	67.3	88.2
Pensions	134.2	135.7
Others	194.4	194.4
Staff costs	1,016.6	1,085.5

Number of employees

Average for the year, based on FTE	Insurance and Health activities	Asset Management activities	Banking activities	Other activities	2004	2003
Group companies:						
– Achmea	6,839	133	781	2,854	10,607	11,369
– Friends First	286		80	81	447	470
– F&C		338			338	438
– Union	275				275	274
– Império France	57				57	65
– Interamerican	2,214			115	2,329	2,575
– Other	260	75		17	352	43
	9,931	546	861	3,067	14,405	15,234

Total remuneration of the Executive Board of Directors

EUR million	2004	2003
Base salary	4.95	4.57
Short-term performance related bonus	1.15	
Pension costs (including past service costs)	8.47	1.61
Severance payment to former directors	1.65	3.52
	16.22	9.70

At the end of 2004, seven directors were in active service (2003: eight directors).

Average remuneration of an Executive Board member (excluding severance payments and past service costs)

EUR million	2004	2003
Base salary	0.59	0.53
Short-term performance related bonus	0.14	
Pension costs	0.17	0.19
	0.90	0.72

Based on the collective labour agreement for personnel and management, base salary increased by 2.5% compared to last year.

The Supervisory Board members received a total pay award of EUR 0.8 million in 2004 (2003: EUR 0.8 million) and are not entitled to any bonus or stock options.

30. Total staff costs all operations continued

Options outstanding and the movements during the financial year of options granted to the members of the Board of Directors and former Board members.

		Number of options			Amounts in euros		
		Outstanding as at 31 Dec 2003	Granted in 2004	Exercised in 2004	Outstanding as at 31 Dec 2004	Exercise price	Share price at exercise date
G. H. J. van Arkel	1999	11,222		11,222		39.77	05/04/2004
	2000	20,729			20,729	44.22	23/05/2005
	2001	23,564			23,564	49.41	25/05/2006
	2002	23,564			23,564	29.89	24/05/2007
	2003	23,564			23,564	17.54	14/05/2013
	2004		23,564		23,564	23.87	23/04/2014
		102,643	23,564	11,222	114,985		
A. C. Henriques	2002	2,218			2,218	29.89	28/05/2007
C. de Beck	2002	2,218			2,218	29.89	28/05/2007
W. A. J. van Duin	1999	1,020		1,020		39.77	05/04/2004
	2000	1,584			1,584	44.22	23/05/2005
	2001	1,815			1,815	49.41	25/05/2006
	2002	1,797			1,797	29.89	24/05/2007
	2003	2,022			2,022	17.54	14/05/2013
	2004		23,564		23,564	23.87	23/04/2014
		8,238	23,564	1,020	30,782		
M. W. Dijkshoorn	2003	23,564			23,564	17.54	14/05/2013
	2004		23,564		23,564	23.87	23/04/2014
		23,564	23,564		47,128		
A. Hoevenaars	1999	15,699		15,699		39.77	05/04/2004
	2000	29,519			29,519	44.22	23/05/2005
	2001	32,579			32,579	49.41	25/05/2006
	2002	32,579			32,579	29.89	28/05/2007
			110,376		15,699	94,677	
E. Jansen	2002	23,564			23,564	29.89	28/05/2007
	2003	32,579			32,579	17.54	14/05/2008
	2004		32,579		32,579	23.87	23/04/2014
			56,143	32,579		88,722	
J. Medlock	2000	20,729		20,729		44.22	22/05/2005
	2001	23,564		23,564		49.41	25/05/2006
	2002	23,564			23,564	29.89	28/05/2007
	2003	23,564			23,564	17.54	14/05/2008
	2004		23,564		23,564	23.87	23/04/2014
		91,421	23,564	44,293	70,692		
G. van Olphen	2003	23,564			23,564	17.54	14/05/2013
	2004		23,564		23,564	23.87	23/04/2014
		23,564	23,564		47,128		
P F. M. Overmars	1999	13,432		13,432		39.77	05/04/2004
	2000	24,858			24,858	44.22	23/05/2005
	2001	27,434			27,434	49.41	25/05/2006
	2002	32,579			32,579	29.89	24/05/2007
	2003	32,579			32,579	17.54	14/05/2013
	2004		60,000		60,000	23.87	23/04/2014
		130,882	60,000	13,432	177,450		

30. Total staff costs all operations continued

Options outstanding and the movements during the financial year of options granted to the members of the Board of Directors and former Board members.

		Number of options				Amounts in euros		
		Outstanding as at 31 Dec 2003	Granted in 2004	Exercised in 2004	Outstanding as at 31 Dec 2004	Exercise price	Share price at exercise date	Expiry date
L. J. Pruis	2001	2,055		2,055		49.41		25/05/2006
	2002	23,564		23,564		29.89		28/05/2007
	2003	23,564		23,564		17.54		14/05/2013
		49,183		49,183				
G. J. Swalef	2003		32,579		32,579	17.54		14/05/2008
	2004		100,000		100,000	23.87		23/04/2014
		32,579	100,000		132,579			
M. Tiemstra	1999	1,587		1,587		39.77		05/04/2004
	2000	2,968			2,968	44.22		23/05/2005
	2001	3,388			3,388	49.41		25/05/2006
	2002	3,337			3,337	29.89		24/05/2007
	2003	3,361			3,361	17.54		14/05/2013
	2004		23,564		23,564	23.87		23/04/2014
		14,641	23,564	1,587	36,618			
		647,670	333,963	136,436	845,197			

30. Total staff costs all operations continued**Option scheme**

Employees (including directors) of Achmea Holding N.V. and members of the Executive Board of Eureko B.V. can be accorded the right to acquire depository receipts for shares. The rights to acquire depository receipts for shares can be exercised for the first time after three years, but within no more than ten years (for options granted before 2003 within no more than five years) of the date on which the right is granted to the member. The rules specify a small number of exceptions to this. If an option right is exercised, Vereniging Achmea will deliver depository receipts for shares to the member. Eureko B.V. will pay to Vereniging Achmea the economic value of the depository receipts for shares as valued at the 31 December of the prior year. Vereniging Achmea will only deliver the depository receipts for shares to the member when Eureko B.V. has received payment (the number of depository receipts for shares to be delivered times the option price at grant date) of the member who want to exercise its right. The member must, within one year, sell the acquired depository receipts for shares to Vereniging Achmea.

The price of the depository receipts for shares associated with the option rights is equal to the value in accordance with the valuation arrived at by an independent expert on the basis of the valuation rules agreed for Eureko, which corresponds to an approximate market value. The costs related to the option scheme are for the account of Achmea Holding N.V. and Eureko B.V.

The summaries below show the changes in 2004 and 2003 and the details of the options outstanding at the end of 2004.

	Number of options outstanding	Weighted average exercise price in EUR
As at 1 January 2003	1,892,839	39.68
Granted	637,090	17.54
Exercised	353,997	36.49
As at 31 December 2003	2,175,932	33.71
Granted	716,770	23.87
Exercised	542,369	37.28
As at 31 December 2004	2,350,333	29.89

The options granted and the number of options outstanding are as follows:

	Options granted		Number of options	
	2004	2003	As at 31 Dec 2004	As at 31 Dec 2003
Executive Board of Directors	333,963	219,718	845,197	647,670
Employees	382,807	417,372	1,505,136	1,528,262
	716,770	637,090	2,350,333	2,175,932

Year	Original number of options granted	Options outstanding		Exercise price in EUR	Exercise period April-April
		on 1 Jan 2004	on 31 Dec 2004		
1998	333,998			23.67	2001–2003
1999	375,656	151,668		39.77	2002–2004
2000	498,080	381,595	292,139	44.22	2003–2005
2001	594,471	462,541	352,725	49.41	2004–2006
2002	696,731	558,621	447,449	29.89	2005–2007
2003	637,090	621,507	552,990	17.54	2008–2013
2004	716,770		705,030	23.87	2009–2014
	3,852,796	2,175,932	2,350,333		

31. Tax

The tax result can be analysed as follows:

	2004	2003
Total result before tax	1,271.2	424.1
Dutch tax rate	34.5%	34.5%
Tax amount	438.6	146.3
Difference to local tax rate	-9.3	-4.7
Untaxed activities	-36.4	-0.1
Tax facilities	-31.2	-19.3
Untaxed realised investment gains/(losses)	-47.3	7.1
Untaxed gains on disposal of subsidiaries	-231.9	
Non-deductible losses	4.7	16.0
Effect of change in tax rate	-17.3	
Other	48.0	13.0
Effective tax amount	117.9	158.3
Effective tax rate	9.3%	37.3%

32. Minority interest

The minority interest in the profit and loss account can be specified as follows:

	2004	2003
Minority interest	-0.7	-22.8

Minority interest (2003) mainly consists out of dividends paid to preference shares issued by Achmea Holding N.V. In 2004 the preference shares of Achmea have been acquired by Eureko. The remainder is the result of operating companies that are not fully owned by Eureko.

Company Financial Statements

Company Balance Sheet

(Before appropriation of results)

EUR million	Notes	As at 31 Dec 2004	As at 31 Dec 2003
Assets			
Intangible assets	1	149.9	
Financial investments:	2		
– Investments in associated companies		691.2	607.9
– Investments in operating companies		2,725.7	1,168.2
– Other investments		286.9	115.3
		3,703.8	1,891.4
Receivables	3	1,436.8	1,816.0
Other assets, prepayments and accrued income	4	126.0	38.4
Total		5,416.5	3,745.8

Equity and Liabilities

Share capital		265.1	241.2
Share premium		7,079.4	6,660.1
Own shares		-766.1	-1,073.3
Legal reserve		624.3	489.4
Revaluation reserve		272.9	185.3
Goodwill		-2,238.4	-3,651.8
Other Reserves		-2,296.4	-1,280.4
Result for the year		1,152.6	243.0
Shareholders equity	5	4,093.4	1,813.5
Other provisions	6	25.2	12.7
Loans and borrowings	7	212.6	251.4
Current liabilities	8	1,085.3	1,668.2
Total		5,416.5	3,745.8

Company Income Statement

EUR million		2004	2003
Result from investment in associated companies after taxation	9	152.5	41.8
Result from investment in subsidiaries after taxation	10	1,003.8	210.3
Other result after taxation		-3.7	-9.1
Total result after taxation		1,152.6	243.0

Company Cash Flow Statement

EUR million	2004	2003
Cash flow from operating activities		
Interest received	23.4	3.9
Interest paid	-38.7	-72.0
Service fees and other income received	15.2	25.8
Payments to suppliers and employees	-12.9	-41.2
	-13.0	-83.5
Cash flow from investing activities		
Dividends received	199.4	11.9
Investment in operating companies and associates	-312.8	-163.9
Proceeds from sale of investments	322.3	250.1
	208.9	98.1
Cash flow from financing activities		
Drawdown from the bank facilities	40.0	
Partial redemption of the credit facility	-40.0	-872.0
Dividend paid	-93.2	
Proceeds from sale of treasury stock	233.2	198.9
Intercompany loans (net)	-242.4	585.9
	-102.4	-87.2
Net cash flow	93.5	-72.6
Movement in liquid assets		
Liquid assets at 1 January	25.4	98.0
Net cash flow	93.5	-72.6
Liquid assets at 31 December	118.9	25.4

Notes to the Company Financial Statements

Accounting policies

The balance sheet items are valued in accordance with the accounting principles described in the Notes to the Consolidated Financial Statements.

The Company income statement is prepared in accordance with Article 402 of The Netherlands Civil Code.

Notes to Company Balance Sheet

(Amounts in millions of euros, unless otherwise stated)

1. Intangible assets

	2004	2003
Balance at 1 January		
Additions	149.9	
Balance at 31 December	149.9	

2. Financial investments

	Associated companies	Operating companies	Other investments	Total 2004	Associated companies	Operating companies	Other investments	Total 2003
Balance at 1 January	607.9	1,168.2	115.3	1,891.4	692.1	1,014.9		1,707.0
Investments and loans granted	223.5	414.5	146.7	784.7	0.1	322.0	121.2	443.3
Divestments and disposals	-339.1	-15.1		-354.2	-25.1	-223.7	-30.2	-279.0
Goodwill	-3.5	280.1		276.6		-12.0		-12.0
Revaluations	-0.6	72.0	24.9	96.3	-16.5	-90.1	22.6	-84.0
Annual results	132.3	981.3		1,113.6	80.2	210.3	1.7	292.2
Dividends received	-14.2	-176.4		-190.6	-6.2	-3.0		-9.2
Foreign exchange	75.0	0.3		75.3	-65.5	-8.4		-73.9
Impairments					-38.4			-38.4
Other changes	9.9	0.8		10.7	-12.8	-41.8		-54.6
Balance at 31 December	691.2	2,725.7	286.9	3,703.8	607.9	1,168.2	115.3	1,891.4

3. Receivables

	As at 31 Dec 2004	As at 31 Dec 2003
Group companies	1,172.6	1,806.7
Other receivables	264.2	9.3
	1,436.8	1,816.0

Other receivables include a loan granted to Covea (EUR 215.0 million) in 2004. This loan has been granted in exchange for the shareholding in MAAF.

4. Other assets, prepayments and accrued income

	As at 31 Dec 2004	As at 31 Dec 2003
Liquid assets	118.9	25.4
Other assets	0.6	1.5
Prepayments and accrued income	6.5	11.5
	126.0	38.4

5. Shareholders' equity

	Share capital	Share premium	Own shares	Legal reserve	Revaluation reserve	Goodwill	Other reserves	Result for the year	Total
Balance at 1 January 2003	241.2	6,654.2	-1,242.4	447.8	260.9	-4,495.6	142.2	-388.6	1,619.7
Appropriation of results							-388.6	388.6	
Own shares repurchased/sold		5.9	169.1						175.0
Result for the year								243.0	243.0
Currency movement							-73.9		-73.9
Revaluation investments					-84.0				-84.0
Goodwill						-12.0			-12.0
Reallocation				41.6			-41.6		
Other					8.4	855.8	-918.5		-54.3
Balance at 31 December 2003	241.2	6,660.1	-1,073.3	489.4	185.3	-3,651.8	-1,280.4	243.0	1,813.5
Balance at 1 January 2004	241.2	6,660.1	-1,073.3	489.4	185.3	-3,651.8	-1,280.4	243.0	1,813.5
Issuance of new shares	23.9	332.3							356.2
Appropriation of results							151.6	-243.0	-91.4
Own shares repurchased/sold		90.4	307.2						397.6
Result for the year								1,152.6	1,152.6
Currency movement							75.4		75.4
Revaluation investments					83.2				83.2
Goodwill						302.5			302.5
Reallocation				134.9			-134.9		
Other		-3.4			4.4	1,110.9	-1,108.1		3.8
Balance at 31 December 2004	265.1	7,079.4	-766.1	624.3	272.9	-2,238.4	-2,296.4	1,152.6	4,093.4

Of the group equity contributed by Achmea at year-end 2004, an amount of EUR 466.3 million (2003: EUR 367.5 million) was subject to claims under provisions in the articles of association of a number of individual Achmea group companies, stipulating that, in the event of liquidation, the equity of these companies must be used for the benefit of public health. This amount is included in the legal reserve.

In 2004, Eureko B.V. sold 10,427,861 Treasury shares to Rabobank. for a consideration of EUR 233.2 million. Also in 2004 Eureko B.V. sold 6,887,306 Treasury shares to Vereniging Achmea against a contribution of EUR 164.4 million in the form of the shares of Levob B.V.

In 2004 Eureko issued 23,904,060 preference shares. Those shares have been issued against a contribution of 90,169,748 preference shares in the capital of Achmea Holding N.V. Those shares have been sold for a consideration of EUR 356.2 million.

All inclusive Consolidated Income statement

	2004	2003
Foreign exchange translation differences	75.4	-73.9
Revaluation development associates	-0.5	-14.5
Revaluation on investments	100.2	623.4
Revaluations transferred to income statement	-16.5	-692.9
Net gain recognised directly in equity	158.6	-157.9
Net profit for the year	1,152.6	243.0
Total recognised gains and losses	1,311.2	85.1

Share capital and share premium

	Number of Ordinary shares	Nominal value Ordinary shares	Number of Preference shares	Nominal value Preference shares	Number of M shares	Nominal value M shares	A shares	Nominal value A shares
Authorised	739,999,999	739,999,999	60,000,000	60,000,000	10,000,000	10,000,000	1	1
Issued	234,585,279	234,585,279	23,904,060	23,904,060	6,667,240	6,667,240	1	1
Available for issuance	505,414,720	505,414,720	36,095,940	36,095,940	3,332,760	3,332,760		
Shares issued 1 January 2003	234,585,279	234,585,279			6,667,240	6,667,240	1	1
Shares issued in 2003								
Shares issued 31 December 2003	234,585,279	234,585,279			6,667,240	6,667,240	1	1
Shares issued 1 January 2004	234,585,279	234,585,279			6,667,240	6,667,240	1	1
Shares issued in 2004			23,904,060	23,904,060				
Shares issued 31 December 2004	234,585,279	234,585,279	23,904,060	23,904,060	6,667,240	6,667,240	1	1

There are special rights entitled to the A share. The majority of the decisions of the General Meeting of the Shareholders of Eureko can only be made after the approval of the holder of the A share. The M shares have been established to ensure that new shares can be issued to the holder of the M shares, without the other shares being able to exercise pre-emptive rights. In addition the M shares can also be cancelled. The M shares do not entitle the holder thereof to special voting rights.

Eureko also issued 23,904,060 preference shares. The preference shares are entitled to dividends and have one vote per share in the shareholders meeting. The dividends paid are 7.15% per year on the share capital and share premium paid for those shares, but payment is subject to the approval of the shareholders meeting. The dividend on preference shares will become cumulative in the event no cash/stock dividends are paid. The percentage will be reviewed every 10 years. The first review will be before 1 January 2014.

The preference shares have been issued in exchange for the preference shares issued by Achmea Holding N.V.

The preference shares have been issued to Eureko Tussenholding B.V. which exercises the voting rights attached to the preference shares. Eureko Tussenholding has issued certificates of the preference shares.

Legal reserves

According to the legal requirements in The Netherlands a legal reserve has been set up for the non-distributable profit in the associated companies.

6. Other provisions

	2004	2003
Balance at 1 January	12.7	19.1
Provisions made	13.5	
Provision released		-2.1
Provisions used	-1.0	-4.3
Balance at 31 December	25.2	12.7

7. Loans and borrowings

	As at 31 Dec. 2004	As at 31 Dec. 2003
Floating rate notes	190.0	240.0
Other loans	22.6	11.4
	212.6	251.4

The floating rate notes are redeemable in 2006 and the average interest percentage in 2004 was 2.1% (2003: 3.1%).

8. Current liabilities

	As at 31 Dec 2004	As at 31 Dec 2003
Taxes and social security premiums	13.7	0.1
Group companies	951.4	1,647.5
Creditors		2.6
Accruals and deferred income	9.4	6.9
Other	110.8	11.1
	1,085.3	1,668.2

9. Result from investment in associated companies after taxation

	2004	2003
Annual results	132.3	88.8
Impairments		-38.4
Capital gain/(losses) on the sale of associates	20.2	-8.6
	152.5	41.8

10. Result from investment in subsidiaries after taxation

	2004	2003
Annual results from subsidiary companies	1,007.6	217.5
Capital gain on the sale of subsidiaries	22.5	
Depreciation of Value in Force	-26.3	-7.2
	1,003.8	210.3

11. Registration seat

Eureko B.V. is registered with the Chamber of Commerce in Utrecht, The Netherlands, trade register Utrecht 33235189.

12. Earnings per share

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders and an average number of ordinary shares outstanding (excluding own shares) during the period.

EUR million	2004	2003
Net results	1,152.6	243.0
Average number of outstanding ordinary shares (excluding treasury stock) (of EUR 1.00 nominal value each)	200,233,189	186,119,171
Earnings per share (EUR)	5.29	1.22

Zeist, 10 March 2005

Supervisory Board

J. (Johan) de Veer, Chairman
 J. M. (Jorge) Jardim Gonçalves, Vice Chairman
 A. H. C. M. (Arnold) Walravens, Vice Chairman
 D. (Dimitrios) Contominas
 T. J. (Ties) Koek
 E. A. J. (Erik) van de Merwe
 M. (Marinus) Minderhoud
 F. (Frank) Moerman
 A. J. (André) Mulder
 J. (Jan) Nijland
 P. F. M. (Paul) Overmars (as of 1-1-05)
 T. (Tommy) Persson
 L. G. L. M. (Loek) Poëll
 H. J. (Henk) Slijkhuis
 B. J. (Bé) van der Weg
 P. (Piet) Wijnmaalen
 B. (Bouke) Yntema

Executive Board

G. J. (Gijsbert) Swalef, Chairman and CEO
 M. W. (Maarten) Dijkshoorn, Vice Chairman
 E. R. (Ernst) Jansen, Vice Chairman
 G. H. J. (Gert) van Arkel
 W. A. J. (Willem) Van Duin
 G. (Gerard) van Olphen, CFO
 M. (Margriet) Tiemstra

Other Information

Statutory requirements for appropriation of results

The company's Articles of Association contain the following requirements regarding appropriation of results:

The profit will be distributed pursuant to Article 34 of the Articles of Association of Eureko B.V. The provisions can be summarised as follows:

- The profits shall be at the free disposal of the General Meeting of Shareholders.
- The Company may only make distributions to shareholders and other persons entitled to distributable profits to the extent that its equity exceeds the total amount of its issued share capital and the reserves to be maintained pursuant to the law.
- If the General Meeting of Shareholders decides on the distribution of dividends, first of all, if possible, a dividend equal to 7.15% of the nominal amount shall be paid to preference shareholders. Subject to the approval of the Supervisory Board, the Executive Board shall be authorised to increase the above percentage determined at the time of issue each year with a maximum of 1.8%.
- If no dividend in cash is distributed, a dividend in the form of preference shares can be resolved upon.
- If the General Meeting of Shareholders decides on the distribution of dividends and dividend on preference shares has been passed in previous years, cash dividends shall first be paid to preference shareholders with respect to these previous years, before any distribution can take place on other shares.

Proposal for appropriation of 2004 results

The total result after tax of EUR 1,152.6 million is proposed to be distributed as follows:

EUR million

Result after minority interest	1,152.6
Interim dividend on ordinary shares	250.0
Dividend on preference shares	25.5
	877.1

To be distributed as follows:

Proposed final dividend on ordinary shares	184.0
Distribution to other reserves	693.1
Total	877.1

As decided by the General Meeting of Shareholders on 3 January 2005 an interim dividend of EUR 275.5 million has been paid.

Subsequent events

On 21 December 2004, Interamerican Hellenic Life Insurance Company S.A. signed an agreement to sell its shares held in Novabank, representing 10% of the total share capital of the bank, to Mr. Contominas. As the conditions precedent were not yet met in 2004, the transaction will be accounted for in 2005.

On 1 February 2005, Eureko Operating Company, Achmea, acquired the Health insurance activities of AKZO by taking over the shares in N.V. Ongevallen en Ziektekostenverzekeringsmaatschappij OZF. As part of this transaction also the activities of the Onderlinge Waarborgmaatschappij 'Onafhankelijk Ziekenfonds Bedrijven' will be incorporated in the Group.