





---

**Contents****2003 Annual Accounts**

Consolidated Financial Statements	80
Notes to the Financial Statements	83
Segment Reporting	90
Notes to the Consolidated Balance Sheet	101
Supplementary notes	113
Company Financial Statements	125
Notes to the Company Financial Statements	127

**Other Information**

Proposal for Appropriation of 2003 Results	131
Subsequent Events	132
Auditors' Report	133
Glossary of Terms	134
Contact Details	136

## Consolidated Financial Statements

### Consolidated Balance Sheet

(Before appropriation of results)

EUR million	Notes	As at 31 Dec 2003	As at 31 Dec 2002
<b>Assets</b>			
Investments in associated companies	1	644.4	715.8
Other investments	2	18,532.1	18,160.0
Investments on behalf of policyholders	3	6,925.5	6,351.3
Banking credit portfolio	4	17,133.5	16,610.6
Receivables	5	1,479.3	1,696.9
Other assets	6	1,817.8	1,719.1
Prepayments and accrued income	7	1,245.9	1,502.5
<b>Total</b>		<b>47,778.5</b>	<b>46,756.2</b>
<b>Equity and Liabilities</b>			
Capital and reserves	8	1,813.5	1,619.7
Minority interest	9	365.5	369.6
Group equity		2,179.0	1,989.3
Fund for general banking risks		44.9	44.9
Group capital base		2,223.9	2,034.2
Technical provisions	10	19,336.3	18,255.7
Technical provisions for policyholders		6,925.5	6,351.3
Other provisions	11	360.0	374.3
Banking customer accounts	12	6,973.7	7,271.4
Loans and borrowings	13	9,396.7	9,835.8
Other liabilities	14	1,694.6	1,794.8
Accruals and deferred income	15	867.8	838.7
<b>Total</b>		<b>47,778.5</b>	<b>46,756.2</b>

**Consolidated Income Statement**

EUR million	Notes	(statutory) 2003	(pro forma) 2002*	(statutory) 2002
<b>Income</b>				
Gross written premiums Life	16	2,602.9	2,645.7	3,920.9
Gross written premiums Non-Life	17	1,432.4	1,211.5	1,793.2
Gross written premiums Health	18	1,620.4	1,472.1	1,717.3
Gross written premiums		5,655.7	5,329.3	7,431.4
Reinsurance premiums		-196.6	-176.8	-310.4
Change in provision for unearned premiums gross		-3.4	12.7	21.9
Net earned premiums		5,455.7	5,165.2	7,142.9
Contribution received for health pooling		268.9	160.7	160.7
Capital gain from sale of Seguros e Pensões				275.6
Income from associated companies	19	45.9	68.3	68.3
Investment income	20	606.3	767.2	917.7
Investment income/(loss) for account of policyholders		588.0	-814.6	-591.6
Asset management income		230.3	236.4	227.2
Banking income	21	953.1	1,003.1	1,003.1
Other income		453.2	455.2	491.1
Total income		8,601.4	7,041.5	9,695.0
<b>Expenses</b>				
Net claims and movement in technical provisions	22	5,762.7	4,508.9	6,548.8
Profit sharing, bonuses and rebates	23	424.7	-176.1	-130.2
Change in unrealised investment losses	20	-692.9	708.5	801.5
Operating expenses insurance and Health	24	1,174.4	1,175.2	1,425.6
Asset Management expenses	25	190.5	200.0	200.0
Banking expenses	26	871.8	831.5	831.5
Interest expenses		78.3	164.6	158.1
Other expenses		367.8	364.0	422.4
Total expenses		8,177.3	7,776.6	10,257.7
Ordinary result before tax		424.1	-735.1	-562.7
Tax on ordinary results	28	-158.3	159.9	174.1
Ordinary result after tax		265.8	-575.2	-388.6
Minority interest	29	-22.8	1.5	
Result after minority interest		243.0	-573.7	-388.6

\* For comparison purposes a pro forma income statement is presented excluding Seguros e Pensões as from 1 January 2002, and the transaction result related to the sale of Seguros e Pensões.

**Consolidated Cash Flow Statement**

EUR million	2003	2002
<b>Cash flow from operating activities</b>		
Result after taxation	243.0	-388.6
Movement in technical provisions	1,046.2	1,107.7
Movement in other provisions	26.3	-443.2
Amortisation of acquisition costs	83.2	119.7
Change in deferred interest rebates	34.9	-5.5
Amortisation of operating assets	69.8	87.6
Movement in short-term debt	-67.9	-329.4
Capitalised acquisition costs	-89.2	-142.4
Movement in receivables	217.5	63.4
Other movements	255.9	453.0
	1,819.7	522.3
<b>Cash flow from investing activities</b>		
<b>Investments and acquisitions</b>		
Real estate and equities	-1,971.7	-4,407.7
Fixed-income securities	-21,184.8	-21,307.0
Group companies and associated companies	-5.7	-492.9
Other investments	-972.4	-68.1
Tangible fixed assets	-59.7	-101.7
<b>Divestments redemptions and disposals</b>		
Real estate and equities	2,374.3	4,412.7
Fixed-income securities	20,273.1	19,837.7
Group companies and associated companies		401.5
Other investments	1,015.4	54.9
Tangible fixed assets	20.7	33.0
	-510.8	-1,637.6
<b>Cash flow from banking activities</b>		
Loans granted, on balance	-522.9	-2,080.3
Movement in customer accounts, debt securities and banks	436.5	1,023.9
	-86.4	-1,056.4
<b>Cash flow from financing activities</b>		
Private placing of ordinary shares	198.9	279.8
Dividends paid		-82.2
Other credit facilities	-1,173.5	1,602.2
	-974.6	1,799.8
<b>Net cash flow</b>	<b>247.9</b>	<b>-371.9</b>
<b>Movement in liquid assets</b>		
Liquid assets at 1 January	1,001.8	1,373.7
Net cash flow	247.9	-371.9
Liquid assets at 31 December	1,249.7	1,001.8
Liquid assets include the following items:		
Short-term government paper	10.5	0.8
Bank balances	618.3	704.1
Call deposits	620.9	296.9
Liquid assets at 31 December	1,249.7	1,001.8

## Notes to the Financial Statements

### Accounting policies

---

#### Introduction

Eureko B.V. is the ultimate holding company of a financial group whose core activities are insurance and Asset Management. The design of the Annual Accounts is therefore based on the all-finance concept. The classification of items in the consolidated balance sheet and income statement reflects the regulatory requirements and the standard practice in the industries concerned. 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.

Where necessary, comparative figures have been changed to be consistent with current years presentation.

### Accounting framework

---

#### Valuation

Assets are recognised in the financial statements if it is probable that any future economic benefit 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.

### Business combinations and participating interest

---

#### Basis for consolidation

On 24 December 2002, Vereniging Achmea, Banco Comercial Português, S.A. (BCP) and Eureko B.V. signed an agreement, through which Eureko sold Seguros e Pensões to BCP. Although the sale was still subject to regulatory approval, which was granted in March 2003, the impact of the transaction was considered in the 2002 accounts.

On 31 March 2003, the transaction was finalised.

For comparison purposes a pro forma consolidated income statement for 2002 is shown without Seguros e Pensões.

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 Amsterdam 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 credited or debited to shareholders' equity. On disposal of participating interests within five years of acquisition, the goodwill credited or debited to shareholders' equity is partially or fully reversed in accordance with Dutch GAAP. 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.
- > 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 overseas 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 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 is recognised in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged, with any resulting gain or loss being recognised in the income statement. 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 '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 repurchase 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 reacquired 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**

Loaned 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 and rebates. Other vested rights are included in the provision for life policy liabilities.

**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 timing differences between the commercial valuation and tax valuation of assets and liabilities, and on the tax reserves.

**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 ongoing 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 benefit 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.2003	Average 2003
Sterling	GBP	1.41884	1.44606
Canadian dollars	CAD	0.61501	0.63086
Danish kroner	DKK	0.13432	0.13457
Polish zlotys	PLN	0.21254	0.22557
Slovak koruna	SKK	0.02439	0.02420
Swedish kroner	SEK	0.11025	0.10047
Swiss francs	CHF	0.64144	0.65699
US dollar	USD	0.79491	0.87783

## 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 2003

EUR million	Life insurance	Non-Life insurance	Health insurance	Asset Management	Banking	Other activities	Holding & intergroup adjustments	Total
<b>Assets</b>								
Other 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	1,357.3	1,289.9	-1,414.3	5,187.4
<b>Total assets</b>	<b>24,991.4</b>	<b>3,112.4</b>	<b>2,727.9</b>	<b>321.8</b>	<b>18,788.1</b>	<b>3,571.5</b>	<b>-5,734.6</b>	<b>47,778.5</b>
<b>Equity and Liabilities</b>								
Allocated capital	1,717.3	566.3	516.7	182.3	512.5	61.5	-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	557.4	61.5	-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	9,214.4	3,510.0	-2,314.5	12,319.1
<b>Total liabilities</b>	<b>24,991.4</b>	<b>3,112.4</b>	<b>2,727.9</b>	<b>321.8</b>	<b>18,788.1</b>	<b>3,571.5</b>	<b>-5,734.6</b>	<b>47,778.5</b>

### Segment Group Consolidated Balance Sheet as of 31 December 2002

EUR million	Life insurance	Non-Life insurance	Health insurance	Asset Management	Banking	Other activities	Holding & intergroup adjustments	Total
<b>Assets</b>								
Investments	14,603.2	2,212.0	1,374.2	56.0	385.0	2,854.6	-3,325.0	18,160.0
Investments on behalf of policyholders	6,107.1		244.2					6,351.3
Banking credit portfolio					16,882.1		-271.5	16,610.6
Other allocated assets*	2,831.0	607.2	872.2	241.2	727.7	1,250.8	-895.8	5,634.3
<b>Total assets</b>	<b>23,541.3</b>	<b>2,819.2</b>	<b>2,490.6</b>	<b>297.2</b>	<b>17,994.8</b>	<b>4,105.4</b>	<b>-4,492.3</b>	<b>46,756.2</b>
<b>Equity and Liabilities</b>								
Allocated capital	1,526.0	446.1	515.1	156.0	594.8	134.7	-1,383.4	1,989.3
Fund for general banking risks					44.9			44.9
Group capital base	1,526.0	446.1	515.1	156.0	639.7	134.7	-1,383.4	2,034.2
Technical provisions	15,050.5	1,958.5	1,246.7					18,255.7
Technical provisions for policyholders	6,107.1		244.2					6,351.3
Banking customer accounts					8,874.9		-1,603.5	7,271.4
Other allocated liabilities*	857.7	414.6	484.6	141.2	8,480.2	3,970.7	-1,505.4	12,843.6
<b>Total liabilities</b>	<b>23,541.3</b>	<b>2,819.2</b>	<b>2,490.6</b>	<b>297.2</b>	<b>17,994.8</b>	<b>4,105.4</b>	<b>-4,492.3</b>	<b>46,756.2</b>

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

The intercompany adjustments consist of 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.

The elimination on allocated capital mainly consists of goodwill that has been deducted from equity.

**Segment Consolidated Income Statement for the Year 2003**

(on a statutory basis)

EUR million	Life insurance	Non-Life insurance	Health	Asset Management	Banking	Other activities	Holding & intergroup adjustments	Total
<b>Income</b>								
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
Income from associated companies	1.4	1.2	0.2			0.8	42.3	45.9
Investment income	616.0	104.8	66.9	2.0	-0.5	93.6	-276.5	606.3
Investment income/(loss) for account of policyholders	582.3		5.7					588.0
Asset management income				263.0			-32.7	230.3
Banking income					1,025.1		-72.0	953.1
Other income	14.7	34.0	269.6	3.3		164.3	-32.7	453.2
<b>Total income</b>	<b>3,742.2</b>	<b>1,426.8</b>	<b>2,254.2</b>	<b>268.3</b>	<b>1,024.6</b>	<b>258.7</b>	<b>-373.4</b>	<b>8,601.4</b>
<b>Expenses</b>								
Net claims and movements in technical provisions	3,132.0	917.2	1,713.5					5,762.7
Profit sharing 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					1,046.3		-174.5	871.8
Interest expenses	14.2	0.3	6.9	0.1		146.8	-90.0	78.3
Other expenses	20.9	41.7	22.3			267.9	15.0	367.8
<b>Total expenses</b>	<b>3,452.2</b>	<b>1,234.6</b>	<b>2,149.1</b>	<b>201.6</b>	<b>1,046.3</b>	<b>414.7</b>	<b>-321.2</b>	<b>8,177.3</b>
Ordinary result before tax	290.0	192.2	105.1	66.7	-21.7	-156.0	-52.2	424.1
Tax on ordinary results								-158.3
Ordinary result after tax								265.8
Minority interest								-22.8
<b>Total result after tax</b>								<b>243.0</b>

The income statement of the Banking segment excludes the results of the private banking activities of Achmea of EUR -25.1 million (2002: EUR -25.6 million) which are included in the segment Other Activities.

Because of the importance of the mortgage products of Achmea for the Life insurance segment, an agreement has been made by which the Life insurance segment paid EUR 13 million to the bank in 2002. This agreement has been terminated in 2003.

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 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 (amongst others, pensioners). The increase in 2003 of the contributions received is caused by higher WTZ related claims (more claims, higher average claims and negative run-off effects 2002) as well as a higher number of WTZ insured policyholders.

Other income in Health mainly relates to Health services.

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





## Technical Account Life

EUR million	(statutory) 2003	(pro forma) 2002	(statutory) 2002
<b>Income</b>			
Gross written premium Life	2,602.9	2,645.7	3,920.9
Gross change in provision for unearned premiums	-2.8	-1.9	-1.9
Gross earned premiums	2,600.1	2,643.8	3,919.0
Reinsurance premiums	-72.3	-67.4	-78.6
Net earned premiums	2,527.8	2,576.4	3,840.4
Investment income	629.3	678.4	823.6
Investment income/(loss) for account of policyholders	586.2	-804.5	-570.1
Other technical income	5.4	14.0	15.1
Total income	3,748.7	2,464.3	4,109.0
<b>Expenses</b>			
Gross claims policyholders	2,032.2	2,186.5	2,940.4
Reinsurer's share	-36.6	-36.4	-41.5
	1,995.6	2,150.1	2,898.9
Changes in provision for Life insurance	1,140.4	24.1	771.7
Reinsurer's share	-4.0	1.9	1.3
	1,136.4	26.0	773.0
Claims, net of reinsurance	3,132.0	2,176.1	3,671.9
Profit sharing, bonuses and rebates	440.3	-183.4	-146.5
Change in unrealised investment losses	-545.4	588.7	588.7
Other technical expenses	29.3	56.0	56.0
Investment expenses	25.3	23.5	46.2
Operating expenses	389.3	450.8	474.9
Investment income/(loss) allocated to the non-technical account	34.7	-816.1	-820.4
Total expenses	3,505.5	2,295.6	3,870.8
Result technical account Life insurance	243.2	168.7	238.2

## Non-Technical Account Life

EUR million	(statutory) 2003	(pro forma) 2002	(statutory) 2002
<b>Income</b>			
Result technical account Life	243.2	168.7	238.2
Allocated investment income/(loss) from technical account Life	34.7	-816.1	-820.4
Other investment income non-technical account	10.4	3.7	15.4
Other income	9.3	0.7	0.9
Total income	297.6	-643.0	-565.9
<b>Expenses</b>			
Investment and interest expenses	1.0	0.4	3.2
Other expenses	6.6	5.1	13.5
Total expenses	7.6	5.5	16.7
Ordinary result before tax Life	290.0	-648.5	-582.6

**Technical Account Non-Life**

EUR million	(statutory) 2003	(pro forma) 2002	(statutory) 2002
<b>Income</b>			
Gross written premium Non-Life	1,432.4	1,211.5	1,793.2
Gross change in provision for unearned premiums	-25.9	-12.0	2.7
Gross earned premiums	1,406.5	1,199.5	1,795.9
Reinsurance premiums	-119.5	-97.6	-205.8
Change in provision for unearned premiums, reinsurance share	-0.2	-5.9	-9.2
	-119.7	-103.5	-215.0
Net earned premiums	1,286.8	1,096.0	1,580.9
Investment income	107.1	70.1	93.2
Other technical income	1.5	1.1	1.3
Total income	1,395.4	1,167.2	1,675.4
<b>Expenses</b>			
Gross claims policyholders	856.4	830.4	1,222.8
Reinsurer's share	-45.9	-45.8	-86.5
	810.5	784.6	1,136.3
Gross change in outstanding claims provisions	124.0	74.9	68.0
Reinsurer's share	-17.3	-8.4	-4.5
	106.7	66.5	63.5
Claims, net of reinsurance	917.2	851.1	1,199.8
Profit sharing and rebates			8.8
Change in unrealised investment losses	-56.0	45.3	100.1
Other technical expenses	5.8	6.0	6.6
Investment expenses	2.4	3.1	6.7
Operating expenses	331.4	286.6	464.3
Investment income/(loss) allocated to the non-technical account	32.1	-85.5	-144.0
Total expenses	1,232.9	1,106.6	1,642.3
Result technical account Non-Life insurance	162.5	60.6	33.1

**Non-Technical Account Non-Life**

EUR million	(statutory) 2003	(pro forma) 2002	(statutory) 2002
<b>Income</b>			
Result technical account Non-Life	162.5	60.6	33.1
Allocated investment income/(loss) from technical account Non-Life	32.1	-85.5	-144.0
Other investment income non-technical account		2.3	6.1
Other income	32.5	29.8	45.7
Total income	227.1	7.2	-59.1
<b>Expenses</b>			
Investment and interest expenses			1.9
Other expenses	34.9	30.9	51.9
Total expenses	34.9	30.9	53.8
Ordinary result before tax Non-Life	192.2	-23.7	-112.9

**Technical Account Non-Life by Class of Business**

2003 (on a statutory basis)

EUR million	Accident	Motor liability	Motor other	Transport/aviation	Property	General liability	Other	Total
<b>Income</b>								
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 <sup>1</sup>	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
<b>Expenses</b>								
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/(loss) 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	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

<sup>1</sup> Investment income includes changes in unrealised investment loss.

**Technical Account Non-Life by Class of Business**

2002 (on a pro forma basis)

EUR million	Accident	Motor liability	Motor other	Transport/ aviation	Property	General liability	Other	Total
<b>Income</b>								
Gross written premium Non-Life	56.4	361.9	328.4	43.1	280.9	71.2	69.6	1,211.5
Gross change in provision for unearned premiums		-7.0	-7.3	1.4	1.9	1.6	-2.6	-12.0
Gross earned premiums	56.4	354.9	321.1	44.5	282.8	72.8	67.0	1,199.5
Reinsurance premiums	-4.1	-14.0	-10.2	-6.5	-49.2	-9.8	-3.8	-97.6
Change in provision for unearned premiums reinsurance share		-0.3	0.6	-1.6	-4.3	-0.3		-5.9
	-4.1	-14.3	-9.6	-8.1	-53.5	-10.1	-3.8	-103.5
Net earned premiums	52.3	340.6	311.5	36.4	229.3	62.7	63.2	1,096.0
Investment income, net <sup>1</sup>	1.4	19.1	2.9	0.8	4.1	3.7	-7.2	24.8
Other technical income	-1.8	0.2	0.2		1.9	-0.1	0.7	1.1
Total income	51.9	359.9	314.6	37.2	235.3	66.3	56.7	1,121.9
<b>Expenses</b>								
Gross claims policyholders	20.5	306.4	236.2	29.6	147.3	50.5	39.9	830.4
Reinsurer's share	-2.2	-16.0	-5.1	-2.8	-16.8	-2.2	-0.7	-45.8
	18.3	290.4	231.1	26.8	130.5	48.3	39.2	784.6
Gross change in outstanding claims provisions	1.6	24.9	4.8	14.7	27.8		1.1	74.9
Reinsurer's share	1.4	-1.8	-2.4	-8.8	2.7	0.4	0.1	-8.4
	3.0	23.1	2.4	5.9	30.5	0.4	1.2	66.5
Claims, net of reinsurance	21.3	313.5	233.5	32.7	161.0	48.7	40.4	851.1
Other technical expenses	0.3	3.0	0.6	0.1	0.6	0.7	0.7	6.0
Investment expenses	0.2	1.6	0.3	0.1	0.4	0.4	0.1	3.1
Operating expenses	16.1	68.5	72.4	10.4	72.2	21.2	25.8	286.6
Investment income/(loss) allocated to the non-technical account	-4.5	-43.4	-7.4	-1.6	-9.0	-9.6	-10.0	-85.5
Total expenses	33.4	343.2	299.4	41.7	225.2	61.4	57.0	1,061.3
Result technical account Non-Life	18.5	16.7	15.2	-4.5	10.1	4.9	-0.3	60.6
Result on reinsurance	-3.3	2.5	-1.2	3.6	-37.1	-7.9	0.6	-42.8

<sup>1</sup> Investment income includes changes in unrealised investment loss.

**Technical Account Non-Life by Class of Business**

2002 (on a statutory basis)

EUR million	Accident	Motor liability	Motor other	Transport/ aviation	Property	General liability	Other	Total
<b>Income</b>								
Gross written premium Non-Life	91.1	709.7	328.4	83.3	410.1	88.0	82.6	1,793.2
Gross change in provision for unearned premiums	0.6	6.1	-7.3	2.6	3.7	3.2	-6.2	2.7
Gross earned premiums	91.7	715.8	321.1	85.9	413.8	91.2	76.4	1,795.9
Reinsurance premiums	-8.2	-20.7	-10.2	-42.8	-104.0	-15.7	-4.2	-205.8
Change in provision for unearned premiums reinsurance share	0.4	-3.8	0.6	-3.4	-3.4	-2.3	2.7	-9.2
	-7.8	-24.5	-9.6	-46.2	-107.4	-18.0	-1.5	-215.0
Net earned premiums	83.9	691.3	311.5	39.7	306.4	73.2	74.9	1,580.9
Investment income, net <sup>1</sup>	0.5	-2.8	2.9	-0.8	-0.6	1.7	-7.8	-6.9
Other technical income	-1.8	0.4	0.2		1.9	-0.1	0.7	1.3
Total income	82.6	688.9	314.6	38.9	307.7	74.8	67.8	1,575.3
<b>Expenses</b>								
Gross claims policyholders	27.3	607.3	236.2	39.8	207.5	56.4	48.3	1,222.8
Reinsurer's share	-3.0	-20.5	-5.1	-9.1	-44.9	-2.4	-1.5	-86.5
	24.3	586.8	231.1	30.7	162.6	54.0	46.8	1,136.3
Gross change in outstanding claims provisions	6.0	27.1	4.8	20.4	11.2	3.1	-4.6	68.0
Reinsurer's share	1.3	-0.6	-2.4	-13.4	12.9	0.9	-3.2	-4.5
	7.3	26.5	2.4	7.0	24.1	4.0	-7.8	63.5
Claims, net of reinsurance	31.6	613.3	233.5	37.7	186.7	58.0	39.0	1,199.8
Profit sharing and rebates	2.6	3.0		0.1	2.7		0.4	8.8
Other technical expenses	0.3	3.5	0.6	0.1	0.7	0.7	0.7	6.6
Investment expenses	0.3	4.2	0.3	0.3	0.9	0.6	0.1	6.7
Operating expenses	33.7	161.9	69.7	18.6	109.1	28.0	43.3	464.3
Investment income/(loss) allocated to the non-technical account	-6.4	-84.6	-7.5	-4.7	-15.6	-12.5	-12.7	-144.0
Total expenses	62.1	701.3	296.6	52.1	284.5	74.8	70.8	1,542.2
Result technical account Non-Life	20.5	-12.4	18.0	-13.2	23.2		-3.0	33.1
Result on reinsurance	-4.6	-0.9	-1.2	-19.6	-57.8	-18.0	4.9	-97.2

<sup>1</sup> Investment income includes changes in unrealised investment loss.

**Technical Account Health**

EUR million	(statutory) 2003	(pro forma) 2002	(statutory) 2002
<b>Income</b>			
Gross written premiums Health	1,620.4	1,472.1	1,717.3
Gross change in provision for unearned premiums	25.4	26.0	28.5
Gross earned premiums	1,645.8	1,498.1	1,745.8
Reinsurance premiums	-3.0	-5.1	-19.3
Change in provision for unearned premiums, reinsurance share	0.1	-0.1	-4.8
	-2.9	-5.2	-24.1
Net earned premiums	1,642.9	1,492.9	1,721.7
Contributions received for health pooling	268.9	160.7	160.7
Investment income	68.6	69.1	77.4
Investment income for account of policyholders	5.9	-10.0	-10.0
Other technical income	0.5	0.1	0.2
Total income	1,986.8	1,712.8	1,950.0
<b>Expenses</b>			
Gross claims policyholders	1,538.6	1,439.2	1,601.5
Reinsurer's share	-5.3	-5.3	-7.5
	1,533.3	1,433.9	1,594.0
Gross change in outstanding claims provisions	177.2	47.9	86.0
Reinsurer's share	3.0	-0.1	-2.9
	180.2	47.8	83.1
Claims, net of reinsurance	1,713.5	1,481.7	1,677.1
Profit sharing, bonuses and rebates	35.6	7.4	7.6
Change in unrealised investment losses	-91.5	74.5	112.7
Other technical expenses	26.1	13.5	13.7
Investment expenses	3.4	3.0	4.9
Operating expenses	180.1	181.2	233.4
Investment income/(loss) allocated to the non-technical account	67.7	-88.0	-132.3
Total expenses	1,934.9	1,673.3	1,917.1
Result technical account Health	51.9	39.5	32.9

**Non-Technical Account Health**

EUR million	(statutory) 2003	(pro forma) 2002	(statutory) 2002
<b>Income</b>			
Result technical account Health	51.9	39.5	32.9
Allocated investment income/(loss) from technical account Health	67.7	-88.0	-132.3
Health services income	265.6	269.1	269.1
Other investment income non-technical account	3.5	3.0	3.1
Other income	3.5	4.3	7.5
Total income	392.2	227.9	180.3
<b>Expenses</b>			
Investment and interest expenses	2.9	0.7	0.9
Health services expenses	282.2	264.5	264.5
Other expenses	2.0	3.3	8.1
Total expenses	287.1	268.5	273.5
Ordinary result before tax, Health	105.1	-40.6	-93.2

### Profit and Loss Account Asset Management

EUR million	(statutory) 2003	(pro forma) 2002	(statutory) 2002
<b>Income</b>			
Management fees	263.0	270.8	270.8
Trading income	-2.7	2.2	2.2
Other income	8.0	-2.6	-2.6
Total income	268.3	270.4	270.4
<b>Expenses</b>			
Operating expenses	201.5	199.1	199.1
Interest and other expenses	0.1	1.4	1.4
Total expenses	201.6	200.5	200.5
Ordinary result before tax, Asset Management	66.7	69.9	69.9

### Profit and Loss Account Banking

EUR million	(statutory) 2003	(pro forma) 2002	(statutory) 2002
Interest income	971.4	930.2	930.2
Interest expenses	-771.5	-746.3	-746.3
Net interest margin	199.9	183.9	183.9
Provisions for loan losses	-71.9	-50.6	-50.6
Net interest margin after provisions	128.0	133.3	133.3
Commission income	44.7	47.5	47.5
Commission expense	-43.3	-32.1	-32.1
	129.4	148.7	148.7
Other income	9.0	26.5	26.5
Operating expenses	-159.8	-160.8	-160.8
Other expenses	-0.3	-5.3	-5.3
Ordinary result before tax, Banking	-21.7	9.1	9.1

### Profit and Loss Account Other Activities

EUR million	(statutory) 2003	(pro forma) 2002	(statutory) 2002
<b>Income</b>			
Brokerage fees	35.6	26.0	44.8
Investment income	93.6	146.0	146.0
Other income	129.5	119.3	135.2
Total income	258.7	291.3	326.0
<b>Expenses</b>			
Operating expenses	222.7	233.4	263.7
Interest expenses	146.8	128.7	128.7
Other expenses	45.2	25.7	26.3
Total expenses	414.7	387.8	418.7
Ordinary result before tax, Other activities	-156.0	-96.5	-92.7

## Notes to the Consolidated Balance Sheet

(Amounts in millions of euros, unless otherwise stated)

### I. Investments in associated companies

Name of the company	Country	% ownership 31 Dec 2003	Net		
			asset value 31 Dec 2003	Book value 31 Dec 2003	Book value 31 Dec 2002
Investments in associated companies at net asset value					
Bank Millennium S.A.*	Poland	20.01%	396.0	79.3	94.0
PZU	Poland	21.81%	1,466.9	319.9	307.5
				399.2	401.5
Investments in other participating interests:					
MAAF Assurances S.A. (at cost)	France	7.64%		262.6	262.6
MAAF Vie, S.A. (at cost)	France	9.56%		51.1	51.1
EurAPCo B.V. (at cost)					30.0
Other participating interests				29.9	30.6
				343.6	374.3
Impairment of investments				-98.4	-60.0
				245.2	314.3
				644.4	715.8

\* On 8 January 2003 Big Bank Gdanski S.A. changed its name to Bank Millennium S.A.

	2003	2002
Balance at 1 January	715.8	884.8
Investment and loans granted		33.0
Divestments and disposals	-28.0	
Goodwill		-12.4
Revaluations	-16.6	39.8
Annual results	84.3	74.9
Dividend received	-6.5	-12.7
Foreign exchange results	-65.7	-24.6
Impairments	-38.4	-60.0
New operating companies		0.6
Transfer of interest in BCP to other financial investments		-183.9
Impact from the sale of Seguros e Pensões		-0.3
Other changes	-0.5	-23.4
Balance at 31 December	644.4	715.8
Historical cost	1,184.7	1,225.4

## 2. Other investments

	As at 31 Dec 2003	As at 31 Dec 2002
Real estate	1,461.7	1,578.8
Other financial investment	17,057.5	16,571.8
Deposits with reinsurance companies	12.9	9.4
	18,532.1	18,160.0

<b>Real Estate</b>	Real estate for own use	Real estate in development	Other real estate	Total 2003	Total 2002
Balance at 1 January	488.2	37.4	1,053.2	1,578.8	1,588.4
Purchases and acquisitions	0.9	7.1	50.6	58.6	149.4
Sales and disposals	-41.2	-9.7	-62.4	-113.3	-38.8
Revaluation recognised in equity	-2.6	2.7	-14.8	-14.7	27.4
Foreign exchange results	-0.6			-0.6	-0.7
Other changes	-44.7	-0.1	-0.9	-45.7	-6.6
Transfers	-7.7	-6.4	12.7	-1.4	
Impact from the sale of Seguros e Pensões					-140.3
Balance at 31 December	392.3	31.0	1,038.4	1,461.7	1,578.8
Historical costs	513.1	21.8	776.8	1,311.7	1,344.4

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 2003.

<b>Calendar year</b>	2003	2002	2001	2000	1999
% of property assessed	80.5%	9.1%	10.1%		0.3%

The rental income for real estate for own use of EUR 33.4 million has been reported as investment income (2002: EUR 32.7 million). These internal charges have been included in the operating expenses.

## 2. Other investments continued

<b>Other financial investments</b>	Equities and other variable securities	Bonds	Loans	Mortgages	Deposits	Others	Total 2003	Total 2002
Balance at 1 January (excl. provisions)	3,252.1	10,835.8	2,221.6	7.9	203.2	83.8	16,604.4	19,757.0
Investment and loans granted	1,909.1	18,791.3	1,604.6	0.1	755.7	978.1	24,038.9	25,422.4
Divestments and disposals	-2,261.0	-17,385.6	-2,435.3	-0.3	-451.9	-1,019.6	-23,553.7	-23,633.9
Revaluations	115.6	0.7	-58.0			0.3	58.6	-522.9
Impairments	-40.5	-0.1					-40.6	-530.6
New operating companies								314.2
Other changes	-13.3	-27.7	-2.4	0.1	-9.4	1.4	-51.3	-95.5
Foreign exchange results	-0.6	-0.2				2.9	2.1	0.8
Impact from the sale of Seguros e Pensões								-4,107.1
	2,961.4	12,214.2	1,330.5	7.8	497.6	46.9	17,058.4	16,604.4
Provisions	-0.5	-0.1	-0.1	-0.2			-0.9	-32.6
Balance at 31 December	2,960.9	12,214.1	1,330.4	7.6	497.6	46.9	17,057.5	16,571.8
Historical cost	3,029.1	11,948.9	1,253.5	7.8	497.4	48.5	16,785.2	16,493.0

The free marketability of the shares held in Banco Commercial Português (EUR 306.8 million), up to 116,335,744 shares (3.6%) included in Equities and other variable securities, is restricted due to shareholders' agreements. Eureka group owns 173,319,713 shares.

The carrying value of securities under repurchase agreements amounts to EUR 4,533.6 million (2002: EUR 2,166.3 million).

## Equities

	As at 31 Dec 2003	As at 31 Dec 2002
Listed equity	1,643.1	2,143.7
Unlisted equity	1,317.8	1,108.4
	2,960.9	3,252.1

In unlisted equity investments, funds of EUR 686.7 million (2002: EUR 605.4 million) are included. Those investment funds mainly consist of listed equity.

## Analysis of fixed-interest securities by time to maturity

	Bonds	Loans	Mortgages	Total 2003	Total 2002
Under 3 months	23.9	157.3		181.2	554.7
3-12 months	958.5	20.7		979.2	258.9
1-5 years	3,582.5	317.8	6.6	3,906.9	3,112.3
Over 5 years	7,649.2	834.6	1.0	8,484.8	9,106.8
Balance at 31 December	12,214.1	1,330.4	7.6	13,552.1	13,032.7

## 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.

**3. Investments on behalf of policyholders**

	As at 31 Dec 2003	As at 31 Dec 2002
Balance at 1 January	6,351.3	9,887.9
Investments/advances	4,494.2	5,282.9
Disposals/redemptions	-4,170.4	-4,910.4
Revaluations	223.4	-832.2
New operating companies	27.0	231.1
Impact from the sale of Seguros e Pensões		-3,308.0
Balance at 31 December	6,925.5	6,351.3

**4. Banking credit portfolio**

	As at 31 Dec 2003	As at 31 Dec 2002
Credit institutions:		
- Loans and advances to banks	366.5	85.9
- Cash advances, overdrafts and other balances due on demand	530.3	201.0
	896.8	286.9
Loans:		
- Mortgage loans guaranteed by public authorities	2,104.6	2,664.2
- Other mortgages	10,792.3	9,845.3
- Other personal lending	1,464.6	1,629.8
- Other corporate loans	1,725.0	2,055.5
- Non performing	297.8	244.5
	16,384.3	16,439.3
	17,281.1	16,726.2
Provision for bad debts	-147.6	-115.6
	17,133.5	16,610.6

#### 4. Banking credit portfolio continued

<b>Analysis of credit institutions by time to maturity</b>	As at 31 Dec 2003	As at 31 Dec 2002
Under 3 months	894.2	266.7
3–12 months	0.3	17.8
1–5 years		0.1
Over 5 years	2.3	2.3
	896.8	286.9

<b>Analysis of loans by time to maturity</b>	As at 31 Dec 2003	As at 31 Dec 2002
Under 3 months	1,582.9	2,466.7
3 to 12 months	2,094.9	2,023.3
1 to 5 years	3,825.4	3,410.0
Over 5 years	8,554.4	8,256.6
Overdue	326.7	282.7
	16,384.3	16,439.3

The total amount repayable on demand is EUR 477.8 million as at 31 December 2003 (2002: EUR 145.3 million).

As at 31 December 2003, EUR 11,414.3 million (2002: EUR 10,644.0 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 31 Dec 2003	As at 31 Dec 2002
– Pledge by means of trust arrangements	6,559.2	9,319.5
– Pledge by means of securitisation	3,257.8	1,143.0
– Third-party pledge	1,597.3	181.5
	11,414.3	10,644.0

#### 5. Receivables

	As at 31 Dec 2003	As at 31 Dec 2002
Receivables from direct insurance:		
– Policyholders	409.6	712.6
– Agents	99.0	51.0
– Other	12.8	0.5
	521.4	764.1
Investment receivables	120.3	246.7
Reinsurance receivables	54.6	57.8
Other receivables	839.2	669.4
	1,535.5	1,738.0
Provision for bad debts	–56.2	–41.1
	1,479.3	1,696.9

Loans to executive and supervisory directors as at 31 December 2003 amounted to EUR 6.0 million (31 December 2002: EUR 1.5 million) at an average interest rate of 5.7% (2002: 6.1%). Repayments during 2003 amounted to EUR 0.7 million (2002: EUR 0.3 million).

Due to the integration of Eureko B.V. and Achmea Holding N.V., a new Board of Directors has been formed. For this reason the loans granted to the Board members as at 31 December 2003 are not comparable with year-end 2002.

## 6. Other assets

	As at 31 Dec 2003	As at 31 Dec 2002
Equipment	146.0	176.8
Securities in the trading portfolio	9.7	8.0
Cash and cash equivalents	1,249.7	1,001.8
Deferred taxes	326.4	367.2
Other assets	86.0	165.3
	1,817.8	1,719.1

<b>Equipment</b>	Hardware	Software	Office furniture	Other	Total 2003	Total 2002
Balance on 1 January	51.1	33.8	36.1	55.8	176.8	234.0
Acquisitions	17.5	9.3	11.9	18.7	57.4	101.5
Internally developed		2.2			2.2	0.4
Depreciation	-29.9	-13.1	-11.6	-15.1	-69.7	-87.9
Impairments and disposals	-5.6	-1.2	-3.9	-9.8	-20.5	-36.3
Foreign exchange results	-0.5	-0.1	-0.1		-0.7	-0.5
New operating companies	0.2		0.5	0.3	1.0	1.9
Other changes	-1.4	0.1	-7.4	5.1	-3.6	3.8
Reversal of impairments	2.4	0.6		0.1	3.1	
Impact from sale of Seguros e Pensões						-40.1
Balance on 31 December	33.8	31.6	25.5	55.1	146.0	176.8
Cumulative amortisation and impairment losses	-112.0	-50.0	-26.0	-44.6	-232.6	-300.8

<b>Cash and cash equivalents</b>	As at 31 Dec 2003	As at 31 Dec 2002
Bank balances	618.3	704.1
Call deposits	620.9	296.9
Short-term government bonds	10.5	0.8
	1,249.7	1,001.8

## Deferred taxes

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

	Deferred tax assets	Deferred tax liabilities	Net 2003	Net 2002
Investments	37.3	225.6	-188.3	-105.9
Bank assets	5.9	5.5	0.4	3.8
Deferred acquisition costs	4.6	23.3	-18.7	-24.0
Technical provisions	268.3	10.8	257.5	195.8
Other provisions	74.2	7.5	66.7	87.6
Depreciation	0.2	4.8	-4.6	-3.7
Tax value of losses carried forward	172.8		172.8	166.2
Other	153.7	113.1	40.6	47.4
Net deferred tax asset/liability	717.0	390.6	326.4	367.2

## 7. Prepayments and accrued income

	As at 31 Dec 2003	As at 31 Dec 2002
Deferred acquisition costs insurance:		
– Life	238.2	232.8
– Non-Life	6.8	6.3
– Health	1.3	1.2
Accrued interest	657.4	590.7
Other	342.2	671.5
	1,245.9	1,502.5

	Life	Non-Life	Health	Total 2003	Total 2002
Deferred acquisition costs insurance					
Balance on 1 January	232.8	6.3	1.2	240.3	257.7
Deferred acquisition costs	83.4	5.7	0.1	89.2	122.3
Amortisation	–81.8	–5.1		–86.9	–122.5
Impairment losses	3.3			3.3	2.6
New operating companies					20.1
Other changes	0.5	–0.1		0.4	0.2
Impact from sale of Seguros e Pensões					–40.1
Balance on 31 December	238.2	6.8	1.3	246.3	240.3

## 8. Capital and reserves

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

## 9. Minority interest

This concerns minority interests in Group companies and can be specified as follows:

	As at 31 Dec 2003	As at 31 Dec 2002
Preference shares issued by Achmea Holding N.V.	356.2	356.2
Staal Bank N.V.		0.5
Cargarantie B.V.		0.5
Vendopolis B.V.		1.5
Woon Alliantie Woerden	1.6	0.4
Union Poistovňa a.s.	0.2	0.3
Interamerican Hellenic Life Insurance Company S.A.	0.3	0.3
Megatrust S.A.	0.9	0.8
Intertrust S.A.	5.0	6.1
Interlife	0.3	
Others	1.0	3.0
	365.5	369.6

**10. Technical provisions**

	Gross	Reinsurance Share	Net 2003	Net 2002
<b>Life insurance:</b>				
Provision for life policy liabilities	15,313.9	-68.3	15,245.6	14,378.3
Less deferred interest surplus rebates	-195.3		-195.3	-230.2
	15,118.6	-68.3	15,050.3	14,148.1
Profit sharing, bonuses and rebates	640.0		640.0	834.5
Other technical provisions	58.2	1.8	60.0	67.9
<b>Total Life insurance</b>	<b>15,816.8</b>	<b>-66.5</b>	<b>15,750.3</b>	<b>15,050.5</b>
<b>Non-Life insurance:</b>				
Unearned premiums and unexpired risks	433.2	-0.9	432.3	406.2
Outstanding claims	1,592.6	-187.3	1,405.3	1,410.3
Incurred but not reported claims IBNR	203.1	-8.9	194.2	142.0
<b>Total Non-Life insurance</b>	<b>2,228.9</b>	<b>-197.1</b>	<b>2,031.8</b>	<b>1,958.5</b>
<b>Health:</b>				
Unearned premiums	20.0	0.5	20.5	35.5
Outstanding claims	1,095.3	-16.1	1,079.2	789.8
Incurred but not reported claims	322.3	-0.1	322.2	288.9
Ageing provision for Health insurance	132.3		132.3	132.5
<b>Total Health</b>	<b>1,569.9</b>	<b>-15.7</b>	<b>1,554.2</b>	<b>1,246.7</b>
<b>Total technical provisions</b>	<b>19,615.6</b>	<b>-279.3</b>	<b>19,336.3</b>	<b>18,255.7</b>

In 2003, Achmea released EUR 140 million from its excess of Life technical provisions for profit sharing. This amount has been recognised in the income statement as investment income.

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 3.5% and 4.0%.

The provision for pension commitments for own employees as at 31 December 2003 amounted to EUR 791.6 million (2002: 615.4 million).

<b>Deferred interest surplus rebates</b>	2003	2002
Balance at 1 January	230.2	224.7
Rebates granted	19.4	71.1
Amortisation	-54.3	-65.6
<b>Balance at 31 December</b>	<b>195.3</b>	<b>230.2</b>

**Interest risk in technical provision**

Since the establishment of Eureko B.V. the Company has presented its figures as far as possible using a fair value approach. However, according to the Dutch guidelines for Annual Reporting there were, from the beginning, limitations in the use of the fair value for the calculation of the technical provisions. The most important restriction is that the discount rate for technical provisions may not be higher than 4%. As from 2000, the year in which Eureko B.V. became the holding company of Achmea Holding N.V., this issue became more significant as the fair value of the assets could not be matched by the fair value of the (huge) technical provisions of Achmea Holding N.V. Given the very volatile environment that the insurance industry has experienced since 2001, Eureko B.V. concluded that the current accounting policies create very high volatility of results.

Currently the unrealised and realised gains and losses on fixed income securities, related to the technical provisions in the Life business, are set aside in a provision for future profit sharing. If interest rates increase this provision will decrease in value but cannot fall below zero. The lower value of the investments cannot be directly compensated by lower technical provisions because Eureko B.V. has to calculate those provisions using the statutory basis, which does not necessarily reflect the economic value.

Based on the results of the Asset and Liability studies, it is clear that the technical provisions are mainly backed by fixed income securities. The liabilities are well matched with fixed income securities in terms of duration and interest.

The IASB is currently looking at ways to minimise this accounting volatility, however, no final conclusion has been reached yet. If the IASB does not provide a solution to this accounting issue in 2004, Eureko B.V. is considering changing its accounting policy regarding fixed income securities to one that more closely mirrors the statutory basis to calculate the technical provisions.

If Eureko B.V. had used amortised cost in 2003 instead of market value for its fixed income portfolio, the net income and shareholders' equity would have decreased EUR 66.7 million and EUR 197.7 million respectively. Since the realised capital gains would be amortised through the income statement over the remaining maturity of the bonds sold, the decrease in net income and shareholders' equity in 2003 would be compensated over time.

On the other hand, if Eureko were allowed to value its technical provisions using market rates of interest instead of 4%, the shareholders' equity in 2003 would have increased EUR 115 million.

**11. Other provisions**

	As at 31 Dec 2003	As at 31 Dec 2002
Restructuring provisions	23.5	13.8
Pension provision	245.0	251.9
Other employee benefits	23.9	1.4
Other general provisions	67.6	107.2
	<b>360.0</b>	<b>374.3</b>

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

	2003	2002
Restructuring provisions		
Balance at 1 January	13.8	36.8
Provisions made	22.4	13.3
Provisions reversed	-0.1	-6.7
Provisions used	-12.6	-29.6
Balance at 31 December	23.5	13.8

Restructuring provisions are mainly for restructuring the Dutch group activities.

	2003	2002
Pension provisions		
Balance at 1 January	251.9	282.2
Contributions made	-137.7	-130.0
Expenses recognised in income:		
- Current service costs	100.8	109.1
- Interest on obligation	72.8	67.9
- Expected return on plan assets	-42.1	-42.6
	131.5	134.4
Foreign exchange results	-0.7	-0.2
Impact from the sale of Seguros e Pensões		-34.5
Balance at 31 December	245.0	251.9

**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	Other locations	Total 2003	Total 2002
Defined benefit obligation	1,428.5	21.5	36.8	94.8	1,581.6	1,332.5
Less: fair value of plan assets	1,006.3	12.5	34.3	81.8	1,134.9	878.5
Funded status	422.2	9.0	2.5	13.0	446.7	454.0
Unrecognised actuarial gains and (losses)	-184.0		2.7	-20.4	-201.7	-202.1
Balance at 31 December	238.2	9.0	5.2	-7.4	245.0	251.9

As at 31 December 2003 the basic actuarial assumptions used for valuation purposes are:

The discount rate range in the Group was between 4.7% and 6.0% (2002: 5.2%).

The consumer price inflation range in the Group was between 1.8% and 2.8% (2002: 1.9%).

The expected rate of salary increases is 2.9% (2002: 2.9%).

The expected rate of return for 2003 on plan assets is 4.3% (2002: 5.1%).

**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.

**11. Other provisions continued**

<b>Other general provisions</b>	2003	2002
Balance at 1 January	107.2	130.3
Provisions made	42.1	69.1
Provisions used	-63.4	-57.1
Provisions reversed	-18.3	-22.3
Impact from the sale of Seguros e Pensões		-12.8
Balance at 31 December	67.6	107.2

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.

**12. Banking customer accounts**

	As at 31 Dec 2003	As at 31 Dec 2002
Deposits	1,241.0	3,909.6
Other funds entrusted	5,732.7	3,361.8
Banking customer accounts	6,973.7	7,271.4

In 2003 Achmea Bank introduced a high interest yield savings account. The money attracted by this saving account action is presented as part of other funds entrusted. The saving accounts are fully repayable on demand.

<b>Analysis of deposits by time to maturity</b>	As at 31 Dec 2003	As at 31 Dec 2002
On demand	1.3	614.8
Under 3 months	195.4	1,211.8
3-12 months	206.6	531.0
1-5 years	806.4	1,275.8
Over 5 years	31.3	276.2
	1,241.0	3,909.6

<b>Analysis of other funds entrusted by time to maturity</b>	As at 31 Dec 2003	As at 31 Dec 2002
On demand	2,971.1	618.6
Under 3 months	665.2	1,225.1
3-12 months	370.4	535.3
1-5 years	997.7	710.2
Over 5 years	728.3	272.6
	5,732.7	3,361.8

### 13. 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 113.

	As at 31 Dec 2003	As at 31 Dec 2002
Secured bank loans	7,463.7	7,046.4
Unsecured bank issues	1,397.7	2,075.0
Others	535.3	714.4
	<b>9,396.7</b>	<b>9,835.8</b>

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 2003, the total loans outstanding to finance the banking activity were EUR 8,390.3 million (2002: EUR 7,986.0 million).

Unsecured bank issues	As at 31 Dec 2003	As at 31 Dec 2002
Unsecured loans issued by Achmea Bank Holding N.V.	126.4	134.8
Debenture loans issued by Achmea Holding N.V.	500.0	500.0
Debenture loans issued by Achmea Hypotheekbank N.V.	347.3	255.3
Commercial paper issued by Achmea Holding N.V.		76.1
Commercial paper issued by Achmea Hypotheekbank N.V.	184.0	
Revolving credit facility Eureko B.V.		843.8
Floating rate notes issued by Eureko B.V.	240.0	265.0
	<b>1,397.7</b>	<b>2,075.0</b>

The average interest rate on the unsecured loans for 2003 was 4.3% (2002: 6.5%).

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 pre-determined 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 4.73% (2002: 5.75%) and the commercial paper carries interest at 2.17% (2002: 3.41%) on average.

The floating rate notes are redeemable in 2006 and the average interest percentage in 2003 was 3.1%.

The revolving credit facility granted to Eureko B.V. was fully reimbursed in 2003.

Analysis loans and borrowings by time to maturity	As at 31 Dec 2003	As at 31 Dec 2002
Under 3 months	680.0	278.5
3 months–1 year	900.4	1,937.2
1–2 years	1,220.3	2,076.9
2–5 years	3,373.5	2,916.2
Over 5 years	3,222.5	2,627.0
	<b>9,396.7</b>	<b>9,835.8</b>

**14. Other liabilities**

	As at 31 Dec 2003	As at 31 Dec 2002
Liabilities out of direct insurance:		
– Policyholders	410.5	394.9
– Agents	25.5	25.5
– Other	21.8	3.4
	457.8	423.8
Investment liabilities	36.7	122.6
Credit institutions	300.3	290.3
Reinsurance liabilities	46.5	72.6
Taxes and social security premiums	79.4	48.3
Creditors	101.4	57.1
Other	672.5	780.1
	1,694.6	1,794.8

**15. Accruals and deferred income**

	As at 31 Dec 2003	As at 31 Dec 2002
Prepaid premiums	14.0	47.0
Investment income received in advance and interest payable	382.7	403.4
Other	471.1	388.3
	867.8	838.7

## Supplementary notes

### Contingencies

#### Legal procedures

Eureko B.V. and companies forming part of Eureko B.V. are 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 2003	As at 31 Dec 2002
Under 1 year	65.6	46.4
1-5 years	121.7	121.4
Over 5 years	40.2	20.2
	227.5	188.0

#### Other contingent liabilities

	As at 31 Dec 2003	As at 31 Dec 2002
Contracted pre-investments	21.7	28.5
Guarantees	630.7	564.9
Irrevocable letters of credit	691.0	553.5
Other commitments	147.2	8.1
	1,490.6	1,155.0

#### Other contingent liabilities

In December 1996, Eureko and its subsidiary Eureko Reinsurance signed a keep-well agreement by means of which, and subject to the limit stated below, the company shall cause the subsidiary to have capital and reserves of at least the highest of EUR 4.5 million and the minimum capital required by the Luxembourg authorities. Additionally, if the subsidiary runs short of cash and other liquid assets, the company will make available to the subsidiary funds sufficient to enable it to fulfil debt payment obligations in full as they fall due. The company is not obliged to make additional funds available in excess of EUR 18.1 million.

In March 2003, Eureko B.V. sent a letter to the Irish Insurance Regulator assuring that Eureko B.V. will provide whatever capital support Friends First Life Assurance Company Limited and Friends First Managed Pension Funds Limited require to ensure that their Available Assets are always in excess of the Required Minimum Solvency Margins.

Also in March 2003, Eureko B.V. sent a letter to Directors of F&C Asset Management Holdings B.V. stating its readiness and capacity to provide financial assistance as is necessary to enable F&C Asset Management Holdings B.V. to meet its liabilities as and when they fall due to maintain the entity in existence as a going concern.

Achmea Financiering B.V. has guaranteed to Achmea Zorgverzekerings N.V., in the case that the equity of Achmea Zorgverzekerings N.V. is insufficient to fulfil their commitments, to supply equity with a maximum of EUR 519.6 million (2002: EUR 519.6 million).

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.

At IPO, Eureko B.V. and the Polish government have agreed that 21% of PZU S.A.'s shares shall be offered to Eureko B.V. and Eureko B.V. is committed to buying those shares. 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. Under Polish law this acquisition has to be financed through own funds.

#### Foreign exchange risks

The sum of the equivalent in local currency of the assets denominated in foreign currency amounted to EUR 626.5 million (2002: EUR 565.3 million) and of the liabilities in foreign currency to EUR 226.0 million (2002: EUR 221.8 million).

#### 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:

	Government paper	Loans	Interest bearing securities
Transactions on the money and capital markets and foreign exchange		11,281.9	24.1
Banks	5.5		

## Capital commitments

As at 31 December 2003 contingent liabilities exist in relation to several options held by minority shareholders of Eureko B.V. All these options will be exercised at fair value:

- To minority shareholders, currently holding a 7.06% interest in Eureko B.V. put option rights have been granted to sell their shares to Eureko B.V., which could result in a maximum liability for Eureko B.V. of EUR 414 million. This put option can be exercised until the date of quotation of Eureko B.V. at the stock market.
- MAAF may exercise a put option with respect to Eureko B.V. shares and/or may exercise a call option under which MAAF can repurchase the MAAF shares that are held by Eureko B.V. The put option has been extended and shall be exercisable as from 1 April 2004 to 30 June 2004.
- If Eureko B.V. has not been listed on a recognised stock exchange on or before 31 December 2005 another minority shareholder, currently holding a 5% interest in Eureko B.V., may exercise its put option, resulting in the obligation for Eureko B.V. to buy back these shares against the determined price at that moment.
- Under the current agreement between BCP, Vereniging Achmea and Eureko B.V., BCP has the option, under certain conditions, to acquire F&C Portugal. The consideration to be paid by BCP will be determined by one or more independent valuers and will consist primarily of Eureko shares held by BCP and, if the consideration is higher than the value of Eureko shares, cash.

## 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	Over 1-5 years	5 years	Total	Positive replacement value
<b>Interest rate contracts</b>					
<b>Over the counter contracts</b>					
– Swaps	2,139.1	6,190.1	6,163.4	14,492.6	324.1
– Forwards	800.0			800.0	0.9
– Options	656.9			656.9	1.3
<b>Foreign exchange contracts</b>					
<b>Over the counter contracts</b>					
– Swaps	1,621.5	25.2		1,646.7	70.9
– Forwards	4,246.1			4,246.1	59.1
<b>Total derivatives</b>	<b>9,463.6</b>	<b>6,215.3</b>	<b>6,163.4</b>	<b>21,842.3</b>	<b>456.3</b>
				Unweighted	Weighted
<b>Interest rate contracts</b>				457.7	214.7
<b>Foreign exchange contracts</b>				161.1	395.1
				618.8	609.8

## Related parties

### Shareholders

The main shareholders of Eureko is the Vereniging Achmea via Stichting Administratiekantoor Achmea, which owns 59.97% of the shares (75.53% of the voting rights). These percentages are based on the legal situation as per 31 December 2003.

Staal Bank, Eureko's banking arm, has granted a loan of EUR 30 million to Demco, a company controlled by Eureko's shareholder and Supervisory Board member Mr. Dimitrios Contominas. The interest rate as at 31 December 2003 was 6.0% (2002: 4.5%).

### Significant subsidiaries

The most important operating companies are as follows:

Operating company	Head office	Economic activity	% ownership 31 Dec 2003
Achmea Holding N.V.	Zeist, The Netherlands	Insurance, Banking	91.1% <sup>1</sup>
Friends First Holdings Limited	Dublin, Ireland	Insurance	100.0%
Interamerican Hellenic Life Insurance Company S.A.	Athens, Greece	Insurance	99.8%
F&C Management Limited	London, United Kingdom	Asset Management	100.0%
Union Poisťovňa a.s.	Bratislava, Slovakia	Insurance	97.3%
Império Assurances S.A.	Paris, France	Insurance	100.0%
Eureko Reinsurance S.A.	Luxembourg, Luxembourg	Reinsurance	100.0%

<sup>1</sup> The remaining 8.9% shareholding relates to preference shareholders.

## Notes to the Consolidated Income Statement

### 16. Gross written premiums Life

Gross written premiums	(statutory) 2003	(pro forma) 2002	(statutory) 2002
– Achmea N.V.	1,787.4	1,793.4	1,793.4
– Seguros e Pensões			1,276.4
– Friends First	472.4	519.1	519.1
– Interamerican	217.5	250.1	250.1
– Other	125.6	83.1	81.9
	2,602.9	2,645.7	3,920.9

Gross written premiums 2003 (statutory)	Individual policyholders	Group	Account policyholders	Other	Total
– Achmea N.V.	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 2002 (pro forma)	Individual policyholders	Group	Account policyholders	Other	Total
– Achmea N.V.	433.0	737.7	550.0	72.7	1,793.4
– Friends First	49.5	60.6	409.0		519.1
– Interamerican	138.0	13.4	98.3	0.4	250.1
– Other	72.2	4.7	4.1	2.1	83.1
	692.7	816.4	1,061.4	75.2	2,645.7

Gross written premiums 2002 (statutory)	Individual policyholders	Group	Account policyholders	Other	Total
– Achmea N.V.	433.0	737.7	550.0	72.7	1,793.4
– Seguros e Pensões	452.4	138.2	685.8		1,276.4
– Friends First	49.5	60.6	409.0		519.1
– Interamerican	138.0	13.4	98.3	0.4	250.1
– Other	72.2	4.7	4.1	0.9	81.9
	1,145.1	954.6	1,747.2	74.0	3,920.9

Gross written premiums - Life Insurance	Single premiums	Annual premiums	(statutory) Total 2003	(pro forma) Total 2002	Single premiums	Annual premiums	(statutory) Total 2002
Individual Life insurance							
– with profit sharing	355.3	170.8	526.1	481.9	473.0	381.7	854.7
– without profit sharing	74.1	257.8	331.9	272.2	52.9	299.0	351.9
– for account policyholders	176.5	372.1	548.6	640.9	943.6	383.2	1,326.8
Group Life insurance							
– with profit sharing	334.8	488.3	823.1	797.9	358.2	513.5	871.7
– without profit sharing	1.8	31.8	33.6	28.3	40.1	52.4	92.5
– for account policyholders	166.7	172.9	339.6	424.5	252.2	171.1	423.3
	1,109.2	1,493.7	2,602.9	2,645.7	2,120.0	1,800.9	3,920.9

## 17. Gross written premiums Non-Life

Gross written premiums 2003 (statutory)	Accident	Motor liability	Motor other	Transport/aviation	Property	General liability	Other	Total
– Achmea N.V.	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

## Gross written premiums 2002 (pro forma)

– Achmea	53.7	313.8	309.3	38.2	251.3	64.8	48.6	1,079.7
– Interamerican	2.6	47.8	18.9	3.3	26.8	5.2	11.1	115.7
– Other	0.1	0.3	0.2	1.6	2.8	1.2	9.9	16.1
	56.4	361.9	328.4	43.1	280.9	71.2	69.6	1,211.5

## Gross written premiums 2002 (statutory)

– Achmea	53.7	313.8	309.3	38.2	251.3	64.8	48.6	1,079.7
– Seguros e Pensões	34.7	347.8		40.2	129.3	16.7	14.5	583.2
– Interamerican	2.6	47.8	18.9	3.3	26.8	5.2	11.1	115.7
– Other	0.1	0.3	0.2	1.6	2.7	1.3	8.4	14.6
	91.1	709.7	328.4	83.3	410.1	88.0	82.6	1,793.2

## 18. Gross written premiums Health

Gross written premiums:	Health insurance	Occupational Health insurance	(statutory) Total 2003	(pro forma) Total 2002	Health insurance	Occupational Health insurance	(statutory) Total 2002
– Achmea	1,250.2	340.7	1,590.9	1,443.2	1,112.4	330.8	1,443.2
– Seguros e Pensões					115.0	130.2	245.2
– Interamerican	33.9		33.9	28.9	28.9		28.9
– Other	–4.4		–4.4				
	1,279.7	340.7	1,620.4	1,472.1	1,256.3	461.0	1,717.3

The negative amount under ‘Other’ relates to the reversal of premiums from the run-off of the US business sold in 1998.

## 19. Income from associated companies

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

	(statutory) 2003	(pro forma) 2002*	(statutory) 2002
Banco Commercial Português, S.A.*		15.1	15.1
Bank Millennium, S.A.	1.8	9.5	9.5
PZU, S.A.	86.9	62.4	62.4
MAAF Assurances S.A., MAAF Vie S.A., dividend	0.8	3.0	3.0
	89.5	90.0	90.0
Capital gain from the sale of associates	–12.5	38.0	38.0
Impairment	–38.4	–60.0	–60.0
Other	7.3	0.3	0.3
	45.9	68.3	68.3

\* In 2002 the appropriation of the results only includes the equity accounting for the first six months. As from 1 July 2002 the investment in BCP has been accounted for as other investments.

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

**20. Investment income**

	(statutory) 2003	(pro forma) 2002	(statutory) 2002
Income from real estate	91.9	92.6	106.4
Direct income other financial investments			
– Equities	67.0	79.2	96.5
– Bonds	597.1	491.3	605.2
– Loans	114.9	95.4	91.5
– Mortgages	0.7	0.6	0.3
– Deposits	28.1	14.3	22.8
– Others	83.3	25.2	33.4
	891.1	706.0	849.7
Realised gains and losses			
– Real estate	0.3	2.8	6.3
– Equities	-662.3	-223.2	-247.0
– Fixed income investments	288.6	195.1	219.5
– Others	0.6	1.5	2.9
	-372.8	-23.8	-18.3
	610.2	774.8	937.8
Less investment expenses	3.9	7.6	20.1
	606.3	767.2	917.7
Change in unrealised investment losses			
– Equities	677.9	-692.8	-785.8
– Others	15.0	-15.7	-15.7
	692.9	-708.5	-801.5

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

	(statutory) 2003	(pro forma) 2002	(statutory) 2002	(statutory) 2001	(statutory) 2000	(statutory) 1999
Total investment income for real estate and equities						
Income from real estate	91.9	92.6	106.4	89.5	90.3	89.9
Direct investment income equities	67.0	79.2	96.5	107.8	180.9	185.7
Change in unrealised investment losses*	693.0	-1,339.6	-1,372.3	-886.3	-131.1	584.9
Realised gains (and losses)	-662.0	-220.4	-240.7	416.2	419.8	169.9
Investment expenses	4.0	4.8	-15.0	-5.8	-30.0	-29.3
Total	193.9	-1,383.4	-1,425.1	-278.6	529.9	1,001.1

\* Of the total amount of unrealised gains (and losses) of EUR 693.0 million an amount of EUR 692.9 million has been accounted for via the income statement. The remainder has been brought against revaluation reserves.

**21. Banking income**

	(statutory) 2003	(pro forma) 2002	(statutory) 2002
Interest	914.0	930.2	930.2
Commissions	33.8	47.5	47.5
Other	5.3	25.4	25.4
	953.1	1,003.1	1,003.1

## 22. Net claims and movement in technical provisions

	(statutory) 2003	(pro forma) 2002	(statutory) 2002
Life:			
Claims paid gross	2,031.9	2,186.0	2,936.9
Changes in technical provisions	1,139.8	24.2	771.7
Reinsurer's share	-40.1	-34.3	-40.2
	3,131.6	2,175.9	3,668.4
Non-Life:			
Claims paid gross	802.5	767.2	1,121.6
Changes in technical provisions	124.0	74.9	68.0
Reinsurer's share	-61.8	-50.8	-87.1
	864.7	791.3	1,102.5
Health:			
Claims paid gross	1,506.2	1,400.1	1,544.4
Changes in technical provisions	177.2	47.9	86.0
Reinsurer's share	-2.3	-5.4	-10.4
	1,681.1	1,442.6	1,620.0
Claims handling expenses	85.3	99.1	157.9
Net claims and movements in technical provisions	5,762.7	4,508.9	6,548.8

## 23. Profit-sharing, bonuses and rebates

	(statutory) 2003	(pro forma) 2002	(statutory) 2002
Amortisation interest surplus rebates	54.3	65.6	65.6
Company profit sharing	313.7	91.5	91.5
Benefits policyholders	56.7	-333.2	-287.3
	424.7	-176.1	-130.2

## 24. Operating expenses, insurance and health

	(statutory) 2003	(pro forma) 2002	(statutory) 2002
Staff costs	596.8	601.5	721.7
Commissions	232.0	222.2	284.0
Other operating expenses	434.8	457.9	597.9
Operating expenses, insurance and Health	1,263.6	1,281.6	1,603.6
Less claims handling expenses	85.3	98.8	157.9
Less investment expenses	3.9	7.6	20.1
	1,174.4	1,175.2	1,425.6

Specification 2003	Life insurance	Non life insurance	Health insurance	(statutory) 2003
Acquisition costs	199.6	182.3	113.9	495.8
Change in deferred acquisition costs	-5.4	-0.5	-0.1	-6.0
Depreciation of tangible fixed assets	8.2	2.8	16.9	27.9
Administrative expenses	189.8	154.5	332.2	676.5
Commissions and sharing reinsurance	-2.0	-7.7	-0.6	-10.3
	390.2	331.4	462.3	1,183.9
Intergroup adjustments*				-9.5
				1,174.4

Specification 2002	Life insurance	Non-Life insurance	Health insurance	(pro forma) 2002	Life insurance	Non-Life insurance	Health insurance	(statutory) 2002
Acquisition costs	194.1	139.0	85.4	418.5	207.0	259.3	123.6	589.9
Change in deferred acquisition costs	-10.6	-0.2		-10.8	-10.6	2.8	0.1	-7.7
Depreciation of tangible fixed assets	12.4	3.0	17.0	32.4	13.2	5.4	17.7	36.3
Administrative expenses	265.2	154.9	340.6	760.7	280.5	228.6	358.6	867.7
Commissions and sharing reinsurance	-9.9	-10.0	2.7	-17.2	-14.7	-31.8	-2.1	-48.6
	451.2	286.7	445.7	1,183.6	475.4	464.3	497.9	1,437.6
Intergroup adjustments*				-8.4				-12.0
				1,175.2				1,425.6

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

## 25. Asset Management expenses

	(statutory) 2003	(pro forma) 2002	(statutory) 2002
Staff costs	118.8	119.4	119.4
Other costs	71.7	80.6	80.6
	190.5	200.0	200.0

## 26. Banking expenses

	(statutory) 2003	(pro forma) 2002	(statutory) 2002
Interest	636.9	595.3	595.3
Additions to provisions for loan losses	71.9	50.6	50.6
Staff costs	80.4	84.4	84.4
Depreciation of tangible fixed assets	14.2	15.8	15.8
Others	68.4	85.4	85.4
	871.8	831.5	831.5

## 27. Total staff costs all operations

	(statutory) 2003	(pro forma) 2002	(statutory) 2002
The staff costs included in the (operating) expenses can be summarised as follows:			
Insurance activities and Health services	596.8	601.5	721.7
Asset Management activities	118.8	119.4	119.4
Banking activities	80.4	84.4	84.4
Other activities	289.5	288.5	291.5
	<b>1,085.5</b>	<b>1,093.8</b>	<b>1,217.0</b>
The staff costs can be specified as follows:			
Salaries	667.2	679.5	758.5
Social security charges	88.2	79.1	94.1
Pensions	135.7	120.7	144.5
Others	194.4	214.5	219.9
Staff costs	<b>1,085.5</b>	<b>1,093.8</b>	<b>1,217.0</b>

## Number of employees

Average for the year, based on FTE	Insurance and Health activities	Asset Management activities	Banking activities	Other activities	(statutory) 2003	(pro forma) 2002	(statutory) 2002
Group companies:							
– Achmea N.V.	7,461	140	1,033	2,735	11,369	11,669	11,669
– Seguros e Pensões							2,451
– Friends First	310		78	82	470	505	505
– F&C		438			438	579	579
– Union	274				274	285	285
– Imperio France	65				65	66	66
– Interamerican	2,315	110		150	2,575	2,560	2,560
– Other				43	43	64	64
	<b>10,425</b>	<b>688</b>	<b>1,111</b>	<b>3,010</b>	<b>15,234</b>	<b>15,728</b>	<b>18,179</b>

## Remuneration of the Board of Directors and the Supervisory Board

In 2003, a two-tier Board structure was implemented. For that reason, the 2003 remuneration of the Board of Directors is not comparable with 2002: the 2002 remuneration reflects the total remuneration paid by Eureka B.V. and its group companies to the members of the one-tier Board of Directors. For 2003, a split was made between the total remuneration paid to members of the new Board of Directors and to the members of the Supervisory Board.

### Total remuneration of the Board of Directors

EUR million	(statutory) 2003	(statutory) 2002
Base salary	4.6	4.0
Short-term performance related bonus		0.5
Pension costs	1.6	2.0
Severance payment to former directors	3.5	
	<b>9.7</b>	<b>6.5</b>

At the end of 2003, eight directors were in active service, and seven at the end of 2002.

### Average remuneration of a Board member (excluding severance payments)

EUR million	(statutory) 2003
Base salary	0.5
Short-term performance related bonus	
Pension costs	0.2
	<b>0.7</b>

Based on the collective labour agreement for personnel and management, base salary increased by 3% compared to last year (2.5 % on 1 January 2003 and 1.0 % on 1 July 2003).

The Supervisory Board received a total pay award of EUR 0.8 million in 2003 (2002: EUR 0.5 million) and are not entitled to any bonus or stock options.

**27. 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 2002	Granted in 2003	Exercised in 2003	Outstanding as at 31 Dec 2003	Exercise price	Share price at exercise date	Expiry date
<b>G.H.J. van Arkel</b>	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
		79,079	23,564		102,643			
<b>A.C. Henriques</b>	2002	2,218			2,218	29.89		28/05/2007
<b>C. de Beck</b>	2002	2,218			2,218	29.89		28/05/2007
<b>M.W. Dijkshoorn</b>	2003		23,564		23,564	17.54		14/05/2013
<b>J.S. Hesp</b>	2001	5,875		5,875		49.41		
	2002	23,564		23,564		29.89		
	2003		4,161	4,161		17.54		
		29,439	4,161	33,600				
<b>A. Hoevenaars</b>	1998	17,003		17,003		23.67		15/04/2003
	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
		127,379		17,003	110,376			
<b>E. Jansen</b>	2002	23,564			23,564	29.89		28/05/2007
	2003		32,579		32,579	17.54		14/05/2008
		23,564	32,579		56,143			
<b>J. Medlock</b>	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
		67,857	23,564		91,421			
<b>G. van Olphen</b>	2003		23,564		23,564	17.54		14/05/2013
<b>P. Overmars</b>	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
		98,303	32,579		130,882			
<b>L.J. Pruis</b>	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
		25,619	23,564		49,183			
<b>G.J. Swalef</b>	2003		32,579		32,579	17.54		14/05/2008
		455,676	219,718	50,603	624,791			

## 27. Total Staff costs all operations continued

### Option scheme

Employees (including directors) of Eureko B.V. and 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 right to acquire depository receipts for shares can be exercised for the first time after three years, but within no more than five years (for the options granted as from 2003 within no more than ten 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 Eureko B.V. and Eureko B.V. will simultaneously pay the selling price to Vereniging Achmea. Eureko B.V. will then deliver the depository receipts to the member in return for payment of the exercise price by the member to Eureko B.V. The member must, within one year, sell the depository receipts acquired to Vereniging Achmea.

The price of the depository receipts 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 2003 and 2002 and the details of the options outstanding at the end of 2003.

	Number of options outstanding	Weighted average exercise price in EUR
As at 1 January 2002	1,487,998	42.82
Granted	696,731	29.89
Exercised	291,890	32.16
As at 31 December 2002	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

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

	Options granted		Number of options	
	2003	2002	As at 31 Dec 2003	As at 31 Dec 2002
Board of Directors	219,718	210,978	624,791	455,676
Employees	417,372	485,753	1,551,141	1,437,163
	637,090	696,731	2,175,932	1,892,839

Year	Original number of options granted	Options outstanding on 1 Jan 2003	Options outstanding on 31 Dec 2003	Exercise price in EUR	Exercise period April-April
1998	333,998	60,794		23.67	2001–2003
1999	375,656	193,722	151,668	39.77	2002–2004
2000	498,080	446,163	381,595	44.22	2003–2005
2001	594,471	542,717	462,541	49.41	2004–2006
2002	696,731	649,443	558,621	29.89	2005–2007
2003	637,090		621,507	17.54	2008–2013
	3,136,026	1,892,839	2,175,932		

**28. Tax**

The tax result can be analysed as follows:

	(statutory) 2003	(pro forma) 2002	(statutory) 2002
Total result before tax	424.1	-735.1	-562.7
Dutch tax rate	34.5%	34.5%	34.5%
Tax amount	146.3	-253.6	-194.1
Difference to local tax rate	-4.7	-7.4	11.4
Untaxed activities	-0.1	-0.1	-0.1
Tax facilities	-19.3	-18.7	-18.7
Untaxed realised investment gains/(losses)	7.1	102.6	102.6
Untaxed gains on disposal of subsidiaries		-48.0	-152.8
Non-deductible losses	16.0	53.5	66.3
Other	13.0	11.8	11.3
Effective tax amount	158.3	-159.9	-174.1
Effective tax rate	37%	22%	31%

**29. Minority interest**

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

	(statutory) 2003	(pro forma) 2002	(statutory) 2002
Preference shares issued by Achmea Holding N.V.	-23.6		
Seguros e Pensões International B.V.			-1.5
Interamerican Hellenic Life Insurance Company S.A.		1.1	1.1
Other	0.8	0.4	0.4
	-22.8	1.5	

## Company Financial Statements

### Company Balance Sheet

(Before proposed appropriation of results)

EUR million	Notes	As at 31 Dec 2003	As at 31 Dec 2002
<b>Assets</b>			
Financial investments:	1		
– Investments in associated companies		607.9	692.1
– Investments in operating companies		943.2	1,014.9
– Other investments		115.3	
		1,666.4	1,707.0
Receivables	2	1,816.0	1,797.4
Other assets, prepayments and accrued income	3	38.4	104.7
<b>Total</b>		<b>3,520.8</b>	<b>3,609.1</b>

### Equity and Liabilities

Share capital		241.2	241.2
Share premium		6,660.1	6,654.2
Own shares		-1,073.3	-1,242.4
Legal reserve		489.4	447.8
Revaluation reserve		111.4	260.9
Goodwill		-3,651.8	-4,495.6
Result for the year		243.0	-388.6
Other reserves		-1,206.5	142.2
Shareholders equity	4	1,813.5	1,619.7
Other provisions	5	12.7	19.1
Loans and borrowings	6	251.4	1,123.5
Current liabilities	7	1,443.2	846.8
<b>Total</b>		<b>3,520.8</b>	<b>3,609.1</b>

### Company Income Statement

		2003	2002
Result from investment in associated companies after taxation	8	41.8	54.1
Result from investment in subsidiaries after taxation	9	210.3	-400.0
Other result after taxation		-9.1	-42.7
<b>Total result after taxation</b>		<b>243.0</b>	<b>-388.6</b>

## Company Cash Flow Statement

EUR million	2003	2002
<b>Cash flow from operating activities</b>		
Interest received	3.9	10.0
Interest paid	-72.0	-81.8
Service fees and other income received	25.8	13.9
Payments to suppliers and employees	-41.2	-53.7
	-83.5	-111.6
<b>Cash flow from investing activities</b>		
Dividends received	11.9	215.8
Supplemental capital		65.8
Investment in operating companies and associates	-163.9	-109.7
Proceeds from sale of investments	250.1	38.9
Acquisition of fixed assets		-1.7
	98.1	209.1
<b>Cash flow from financing activities</b>		
Drawdown from the bank facilities		243.8
Redemption of the credit facility	-872.0	-200.0
Dividend paid		-82.2
Proceeds from sale of treasury stock/issuance of shares	198.9	28.1
Intercompany loans (net)	585.9	-15.4
	-87.2	-25.7
Net cash flow	-72.6	71.8
<b>Movement in liquid assets</b>		
Liquid assets at 1 January	98.0	26.2
Net cash flow	-72.6	71.8
Liquid assets at 31 December	25.4	98.0

## 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. Financial investments

	Associated companies	Operating companies	Other investments	Total 2003	Associated companies	Operating companies	Total 2002
Balance at 1 January	692.1	1,014.9		1,707.0	659.3	1,803.8	2,463.1
Investments and loans granted	0.1	97.0	121.2	218.3	22.8	21.0	43.8
Divestments and disposals	-25.1	-223.7	-30.2	-279.0		-438.0	-438.0
Goodwill		-12.0		-12.0	-12.4	-81.7	-94.1
Revaluations	-16.5	-90.1	22.6	-84.0	39.8	146.6	186.4
Annual results	80.2	210.3	1.7	292.2	76.1	-400.0	-323.9
Dividends received	-6.2	-3.0		-9.2	-15.5	-200.3	-215.8
Foreign exchange	-65.5	-8.4		-73.9	-24.6	-4.4	-29.0
Impairments	-38.4			-38.4	-60.0		-60.0
Other changes	-12.8	-41.8		-54.6	6.6	167.9	174.5
Balance at 31 December	607.9	943.2	115.3	1,666.4	692.1	1,014.9	1,707.0

Part of the investments in operating companies (EUR 296.5) is not freely disposable as it has been given as collateral to Achmea's insurance companies to guarantee some intercompany loans.

#### 2. Receivables

	As at 31 Dec 2003	As at 31 Dec 2002
Group companies	1,806.7	1,791.5
Other receivables	9.3	5.9
	1,816.0	1,797.4

#### 3. Other assets, prepayments and accrued income

	As at 31 Dec 2003	As at 31 Dec 2002
Liquid assets	25.4	98.0
Other assets	1.5	2.0
Prepayments and accrued income	11.5	4.7
	38.4	104.7

#### 4. Shareholders' equity

	Share capital	Share premium	Own shares	Legal reserve	Revaluation reserve	Goodwill	Result for the year	Other reserves	Total
Balance at 1 January 2002	241.2	6,718.8	-716.8	480.3	238.5	-5,005.9	521.0	-215.2	2,261.9
Appropriation of results							-521.0	-438.8	-82.2
Own shares repurchased			-525.6						-525.6
Result for the year							-388.6		-388.6
Revaluation investments		-64.6			22.4				-42.2
Goodwill						-94.0			-94.0
Reallocation				-32.5				32.5	
Other						604.3		-113.9	490.4
Balance at 31 December 2002	241.2	6,654.2	-1,242.4	447.8	260.9	-4,495.6	-388.6	142.2	1,619.7
Balance at 1 January 2003	241.2	6,654.2	-1,242.4	447.8	260.9	-4,495.6	-388.6	142.2	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
Dividend paid									
Revaluation investments					-157.9				-157.9
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	111.4	-3,651.8	243.0	-1,206.5	1,813.5

Of the group equity contributed by Achmea at year-end 2003, an amount of EUR 240.2 million (2002: EUR 268.4 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 2003, Eureko B.V. sold 11,402,509 Treasury shares to Vereniging Achmea N.V. for a consideration of EUR 200.0 million. Also in 2003 Eureko B.V. bought 489,641 Treasury shares from EurAPCo for the consideration of EUR 24.9 million.

#### Share capital and share premium

The total number of shares issued as of 31 December 2003 is 241, 252, 520. The authorised share capital comprises 739,999,999 ordinary shares, one A share and 10,000,000 M shares. All shares have a par value of EUR 1.0.

The holder of the A share is entitled to special rights. 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 MAAF, without the other shareholders being able to exercise pre-emptive rights. The M shares do not entitle the holder thereof to special voting rights.

#### Legal reserves

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

#### 5. Other provisions

	As at 31 Dec 2003	As at 31 Dec 2002
Balance at 1 January	19.1	33.1
Provisions made		11.0
Provision released	-2.1	-24.2
Provisions used	-4.3	-0.8
Balance at 31 December	12.7	19.1

#### 6. Loans and borrowings

	As at 31 Dec. 2003	As at 31 Dec. 2002
Floating rate notes	240.0	265.0
Revolving credit facilities		843.8
Other loans	11.4	14.7
	251.4	1,123.5

The floating rate notes are redeemable in 2006 and the average interest percentage in 2003 was 3.1% (2002: 3.9%). The revolving credit facility was repaid in 2003.

**7. Current liabilities**

	As at 31 Dec 2003	As at 31 Dec 2002
Taxes and social security premiums	0.1	0.2
Group companies	1,422.5	802.7
Creditors	2.6	4.0
Accruals and deferred income	6.9	22.2
Other	11.1	17.7
	1,443.2	846.8

**8. Result from investment in associated companies after taxation**

	As at 31 Dec 2003	As at 31 Dec 2002
Annual results	88.8	76.1
Impairments	-38.4	-60.0
Capital gain/(losses) on the sale of associates	-8.6	38.0
	41.8	54.1

**9. Result from investment in subsidiaries after taxation**

	As at 31 Dec 2003	As at 31 Dec 2002
Annual results from subsidiary companies	217.5	-659.6
Capital gain on the sale of subsidiaries		275.6
Depreciation of Value in Force	-7.2	-16.0
	210.3	-400.0

**10. Registration seat**

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

**11. 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	2003	2002
Net results	243.0	-388.6
Average number of outstanding shares (excluding treasury stock)* (of EUR 1.00 nominal value each)	186,119,171	200,734,020
Earnings per share (EUR)	1.22	-1.94

\* In 2002, the average number of outstanding shares includes the impact of the Seguros e Pensões transaction.

Amsterdam, 12 March 2004

**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  
 F. (Frank) Moerman  
 A.J. (André) Mulder  
 J. (Jan) Nijland  
 T. (Tommy) Persson  
 L.G.L.M. (Loek) Poell  
 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  
 E.R. (Ernst) Jansen, Vice Chairman  
 P.F.M. (Paul) Overmars, Vice Chairman  
 G.H.J. (Gert) van Arkel  
 M.W. (Maarten) Dijkshoorn  
 W.A.J. (Willem) Van Duin  
 J. (Jeffrey) Medlock  
 G. (Gerard) van Olphen, CFO  
 L.J. (Leo) Pruis  
 M. (Margriet) Tiemstra

## Other Information

### Statutory requirements for appropriation of result

The Company's Articles of Association contain the following requirements regarding appropriation of result:

#### Article 34.

- 34.1. Distribution of profits pursuant to this article shall be made following the adoption of the annual accounts which show that such distribution is allowed.
- 34.2. a. From the profit made in any financial year first of all, if possible, a dividend shall be paid on each preference share of a particular series, equal to the percentage referred to below and calculated on the nominal amount paid up and on the amount which was paid up by way of share premium with the first issue of a share of that series.  
The above percentage shall be equal to seven fifteen/one hundredth percent (7.15%).  
Subject to the approval of the Supervisory Board, the Board shall be authorised to increase the above percentage determined at the time of issue each year with a maximum of 180 basis points, with the proviso that this increase must be determined for the whole financial year at the start of the financial year to which this increase shall apply.
- b. For the first time as of the first day of January 2014 and subsequently every 10 years, the dividend percentage of all preference shares concerned of the series concerned, irrespective of the date on which they have been issued, shall be adapted to the average effective return at that time on "government loans with a (remaining) term of 9 to 10 years", as admitted by the Central Office of Statistics and published in the "Officiële Prijscourant" of the public limited company: Euronext Amsterdam N.V., with corporate seat in Amsterdam, calculated for the last 10 trading days prior to the day of dividend review, if necessary increased by a mark-up determined by the Board and approved by the Supervisory Board amounting to a minimum of 95 and a maximum of 155 basis points, depending on the market conditions prevailing at that time.  
Subject to the approval of the Supervisory Board, the Board shall be authorised to increase the above mark-up fixed at the time of the dividend review each year with a maximum of 180 basis points, with the proviso that this mark-up must be determined for the whole financial year at the start of the financial year to which this increase shall apply.
- c. In the event that the effective return on the government loans referred to in this paragraph or in article 8, paragraph 2, at the time the dividend percentage is calculated, is not calculated by the Central Office of Statistics or not published in the "Officiële Prijscourant" referred to above, the government loans referred to above in this paragraph shall refer to the government loans issued by the Kingdom of The Netherlands in Dutch guilders or euros and with a term as close as possible to the applicable term concerned pursuant to this paragraph, of which the effective return at the time the dividend percentage is calculated, is calculated and published as referred to above.
- d. The preference shares of a series to be issued in the year 2004 are entitled to a dividend to be determined in relation to the full financial year and in the manner as set out in paragraph 2 under a. For every other issue of preference shares which takes place during the course of a financial year, the dividend on the series of preference shares concerned for that financial year shall be reduced proportionally to the first day of issue.  
On preference shares no further distribution shall take place.
- e. If and when out of the profit made in the last financial year, the above mentioned dividend cannot be distributed, the general meeting can on proposal by the Board resolve to a distribution by means of preference shares to be issued out of the distributable reserves, without prejudice to the provisions of paragraph 4.
- 34.3. The profits remaining after application of the provisions of paragraph 2, shall be at the free disposal of the General Meeting. In a tie vote regarding a proposal to distribute or reserve profits, the profits concerned shall be reserved.

- 34.4. 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.
- 34.5. In the event of cancellation with repayment of a series of preference shares, in addition to the repayment of the amount paid up (including an amount per share of a series – regardless when that share was issued – equal to the amount paid up by way of share premium with the first issue of a share of that series), a distribution shall be made on the cancelled preference shares of the series concerned, which distribution shall, as much as possible, be calculated in accordance with the provisions of paragraph 2 of this article and to be calculated according to time for the period starting on the first day of the financial year following the financial year for which the provisions of paragraph 2 of this article were applied for the last time – or, if the preference shares have been issued after this day: starting on the day of issue – until the day of repayment, all this without prejudice to the provisions of section 2:216, sub-section 2 of the Dutch Civil Code.

#### Article 35.

- 35.1. Dividends shall be due and payable four weeks after they have been declared, unless the General Meeting determines another date on the proposal of the Board as approved by the meeting of the holder of the A share.
- 35.2. Dividends which have not been collected within five years of the start of the second day on which they became due and payable shall revert to the Company.
- 35.3. Without prejudice to article 34, paragraph 2, sub e, the General Meeting may resolve that distributions shall be made in whole or in part in a form other than cash.
- 35.4. Without prejudice to article 34, paragraph 4, and article 34, paragraph 2, sub e, the General Meeting may resolve to distribute all or any part of the reserves.
- 35.5. Without prejudice to article 34, paragraph 4, interim distributions shall be made if the General Meeting so determines on the proposal of the Board. A resolution to make an interim distribution on the ordinary shares, the A share and/or the M shares can only be taken if at the same time it is resolved to make an interim distribution on the preference shares.

#### Proposal for appropriation of 2003 result

The total result after tax of EUR 243.0 million is proposed to be distributed as follows:

EUR million	
Dividend in cash	97.2
Transfer to other reserves	145.8
	243.0

On 31 December 2003, Achmea Holding N.V. paid an interim dividend to its preference shareholders. Consequently, the new preference shares to be issued by Eureko B.V. in 2004 are not entitled to dividend on 2003 results.

#### **Subsequent events**

---

On 27 January 2004, Staalbankiers, a subsidiary of Achmea Holding, announced its plans to focus fully on private banking activities. Its activities in the field of business banking and commercial property financing will be terminated. As a consequence of this proposed business restructuring, 250 of the 450 jobs at Staalbankiers will be lost. Also the existing 17 offices will be reduced to six regional offices and back office and IT will be outsourced.

On 29 January 2004, Eureko announced that it is considering seeking a stock exchange listing for its subsidiary and asset management arm, F&C. Eureko would propose to retain a majority shareholding following any initial public offering (IPO) and F&C would continue to be the focus of Eureko's asset management activities.

On 10 February 2004, Eureko and Rabobank Group signed a Letter of Intent to collaborate in the field of health insurance. In addition to this, Rabobank Nederland will acquire a 5% stake in Eureko. The formal agreement will be ratified this spring. This agreement will be subject to the relevant approvals of the Supervisory bodies, the Regulators and the Shareholders, and is also subject to advice from the Works' Councils.

All required regulatory approvals for the issuance of EUR 356.2 million preference shares have been obtained by Eureko B.V.

## Auditors' Report



### Financial Services

Burg, Rijnlanderlaan 10-20  
1185 MC Amsterdam  
The Netherlands

P.O. Box 74000  
1070 GB Amsterdam  
The Netherlands

Telephone +31 (0)20657890  
Fax +31 (0)20657700

To the Shareholders of Eureka B.V.

### AUDITORS' REPORT

#### *Introduction*

We have audited the 2003 financial statements of Eureka B.V., Amsterdam, as shown in this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

#### *Scope*

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

#### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 December 2003 and of the result for the year then ended in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9, Book 2, of the Netherlands Civil Code.

Amsterdam, 12 March 2004

*KPMG Accountants N.V.*



KPMG ACCOUNTANTS N.V. (KPMG Accountants N.V.)  
registered under number 3230662 with the Chamber of  
Commerce in Rotterdam, and a member of KPMG  
International, a Swiss entity.

Our General Terms and Conditions shall apply to all of  
our services and will be sent to you at your request.  
These General Terms and Conditions are registered  
with the District Court of Amsterdam under deed  
number 225/1999.

## Glossary of Terms

### Actuarial reserve

---

Liability established to provide for future benefits to policyholders net of liability ceded to reinsurers.

### Annual Premium Equivalent (APE)

---

Total annual premiums plus 10% of single premiums.

### Associated company

---

An associated company is a participating interest in which an investor has significant influence and which is neither a subsidiary nor a joint venture of the investor.

### Claim

---

An occurrence that is the basis for submission and/or payment of a benefit under an insurance policy. Claims may be covered, limited or excluded from coverage, depending on the terms of the policy.

### Claims and claims expenses

---

The sum of incurred claims and claims expenses. This term is used interchangeably with 'loss and loss adjustment expenses'.

### Claims expenses

---

The expenses of investigating and settling claims, including certain legal and other fees, and the expenses of administering the claims adjustment process.

### Claims ratio

---

The ratio of a property and casualty insurance or reinsurance company's incurred claims and claim expenses to net premiums earned. Also referred to as 'loss ratio'.

### Deferred tax assets

---

The amounts of income taxes deemed to be recoverable in future periods in respect of:

- deductible temporary differences;
- the carry forward of unused tax losses;
- the carry forward of unused tax credits.

### Deferred tax liabilities

---

The amounts of income taxes payable in future periods in respect of taxable temporary differences.

### EBITDA

---

Earnings before interest expense, tax, depreciation and amortisation.

### Embedded value

---

The sum of the shareholder's net assets (after tax) and the present value of future releases to shareholders arising from the in-force business less a charge for the cost of capital supporting the required solvency margin.

### Expense ratio

---

The ratio of property and casualty insurance operating expenses to net earned premiums.

### GAR

---

Guaranteed Annuity Rate.

### GWP

---

Gross Written Premiums.

**Impairment**

If the usefulness of an asset or a group of identical assets is impaired, for example by damage or technical obsolescence or other economic factors, the recoverable amount may be less than the carrying amount of the asset. In such circumstances a write-down of the asset is necessary.

**Intercompany transactions**

Intercompany transactions are transactions between the Group companies of Eureka Group.

**Long-term investment return**

Means long-term capital growth of equities of 6%.

**Minority interest**

That part of the net results of operations and of net assets of a subsidiary attributable to interest which are not owned, directly or indirectly through subsidiaries, by the parent.

**Net earned premiums**

The portion of net premiums written that is recognised for accounting purposes as income during a period.

**Net premiums written**

Gross premiums written for a given period less premiums ceded during that period.

**Normalised return on equity**

The ratio of recurring net income to average shareholders' equity.

**Periodic premium products**

Life insurance products that provide for more than one premium payment during the life of the contract.

**Policyholders' bonuses**

Bonuses (or policyholders' dividend) periodically credited to participating contract holders. Regular bonuses, once credited, are guaranteed on death or maturity.

**Premiums earned**

That portion of gross premiums written in current and past periods which applies to the expired portion of the policy period, calculated by subtracting changes in unearned premium reserves from gross premiums.

**Return on assets (ROA)**

The ratio of net income to average assets.

**Return on equity (ROE)**

The ratio of net income to average shareholders' equity.

**Single premium products**

Life insurance products that provide for only one premium to be paid, at the issuance of the contract.

**Underwriting results**

The pre-tax profit or loss experienced by an insurance company or reinsurance company after deducting incurred claims and claims expenses and operating expenses from premiums earned. This profit and loss calculation includes reinsurance assumed and ceded but excludes investment income.

## Contact Details

### Eureka B.V.

As from 1 March 2004  
Eureka is located at:  
Handelsweg 2  
3707 NH  
Zeist  
The Netherlands  
T +31 30 6937000  
F +31 30 6937225  
  
P.O.Box 866  
3700 AW Zeist  
  
www.eureka.net

### Operating Companies

**Achmea**  
Mailing address:  
P.O.Box 866  
3700 AW Zeist  
  
Office address:  
Handelsweg 2  
3707 NH  
Zeist  
The Netherlands  
T +31 30 6937000  
F +31 30 6937225  
www.achmea.nl

### F&C

Exchange House  
Primrose Street  
London, UK  
EC2A 2NY  
T +44 207 628 8000  
F +44 207 628 8188  
www.fandc.co.uk

### Friends First

Friends First House  
Cherrywood Science & Technology  
Park  
Loughlinstown  
Co. Dublin  
T +353 1 6610600  
F +353 1 6616651  
www.friendsfirst.ie

### Império France

19 Rue de la Pépinière  
75008 Paris  
France  
T +33 1 44 69 7575  
F +33 1 44 69 7507

### Interamerican

124-126 Sygrou Avenue  
17680 Kallithea  
Athens  
Greece  
T +30 210 946 2000  
F +30 210 946 2007  
www.interamerican.gr

Interamerican Bulgaria  
16 Sveta Nedelya Square  
1000 Sofia  
Bulgaria  
T + 359 2 986 7639  
F +359 2 986 7651

Interamerican Romania  
20 Soseava Cotroceni – Sector 6  
8700 Bucharest  
Romania  
T +40 21 2026701  
F +40 21 2026702

InterLife Cyprus  
Digeni Akrita 55 + Olimpias I  
1070 Lefkosia  
Cyprus  
T +357 22 896000  
F +357 22 375796

### Union

Párickova 18  
81360 Bratislava  
Slovakia  
T +421 2 555 66 400  
F +421 2 555 67 479  
www.union.sk

### Associates

**Banco Comercial Português**  
Rua Augusta 62  
1100 Lisbon  
Portugal  
T +351 21 3211000  
F +351 21 3211139  
www.millenniumbcp.pt

**Bank Millennium S.A.**  
Ul.Kopernika 36/40  
00-924 Warsaw  
Poland  
T +48 22 657 5046  
F +48 22 657 5039  
www.bankmillennium.pl

### EurAPCo

Genferstrasse 11  
8027 Zürich  
Switzerland  
T +41 1 287 9500  
F +41 1 287 9501  
www.eurapco.com

### MAAF

MAAF Assurances  
7, place des 5 Martyrs du Lycée Buffon  
75015 Paris  
France  
T +33 1 44208900  
F +33 1 40740712  
www.maaf.fr

### Novabank

NOVABANK S.A.  
182 Sygrou Avenue  
Athens  
Greece  
T +30 210 9557085  
F +30 210 9595816  
www.novabank.gr

### PZU

PZU Tower  
Al Jana Pawla II 24  
00 – 133 Warsaw  
Poland  
T +48 22 582 2680  
F +48 22 582 2621