

---

# Eureko

# Full Year 2004 Results

**Gerard van Olphen**  
*Chief Financial Officer*

**Zeist, 15 March 2005**

# Disclaimer

---

This document contains certain forward-looking statements with respect to certain of the plans and objectives of the Company and its subsidiaries (together the “**Group**”) and to the Group’s current expectations relating to its future financial condition and performance. The Group may also make forward-looking statements in other written materials. In addition, the Group’s senior management may make forward-looking statements orally to analysts, investors, representatives of the media and others. In particular, among other statements, certain statements with regard to management objectives, trends in results of operations and revenues are forward-looking in nature. These forward looking statements are based on management’s current views, estimates and assumptions about these future events. By their nature, forward-looking statements are subject to certain risks and uncertainty that may cause the Group’s actual results to differ materially from those set forth in the Group’s forward-looking statements.

The Company undertakes no obligation to update the forward-looking statement contained in this presentation or any other forward-looking statement made in any form by the Group.

The information contained herein is not an offer of securities for sale in the United States of America or any other country. Eureka B.V. (the “**Company**”) has not registered and will not register any securities under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and securities may not be offered, sold or delivered in the United States of America absent registration or an exemption from registration.

# Agenda

---

➤ Main developments

➤ Financial Highlights

➤ Summary

*Exhibits*

# Financial turnaround delivers solid foundation

---

**Turnaround delivers success**

**Solid financial position**

**Focus on insurance and insurance related business**

# Turnaround delivers success

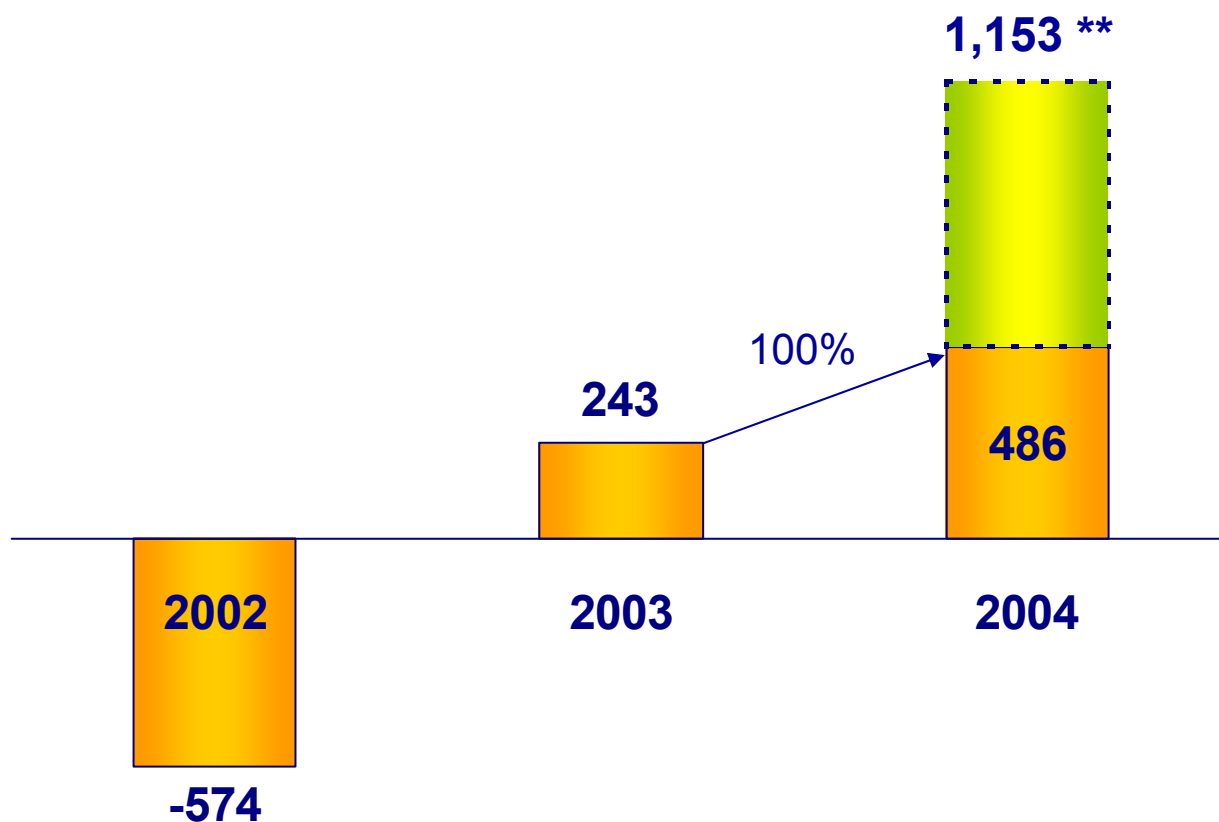
- Net income 2004 amounts EUR 1,153 million (including capital gain from Group transactions)\*
- Net income doubled to EUR 486 million from EUR 243 million in 2003
  - Capital gain from Group transactions 2004 of EUR 667 million
- Operating result of EUR 564 million, compared with EUR 308 million for the same period in 2003 (based on long-term returns \*\*)
- Gross written premiums increase by 10% to EUR 6,209 million from EUR 5,656 million
- Return on equity improved to 16.5% in 2004 from 14.2% at year-end 2003 (excluding capital gain from Group transactions)
- Earnings per share increased by 77% to EUR 2.16 per share in 2004 from EUR 1.22 per share in 2003 (excluding capital gain from Group transactions)
- Proposed dividends of EUR 184 million; EUR 0.83 per share

\* Capital gain from Group transactions includes all transactions at the Eureko holding level; excludes the sale of Europabank

\*\* Actual capital gains on equities replaced by 6% and excluding the release of excess of Life technical provision for profit sharing

# Excellent results 2004 doubled compared to 2003 \*

EUR million



\* Net income excluding capital gain from Group transactions

\*\* Net income including capital gain from Group transactions of EUR 667 million

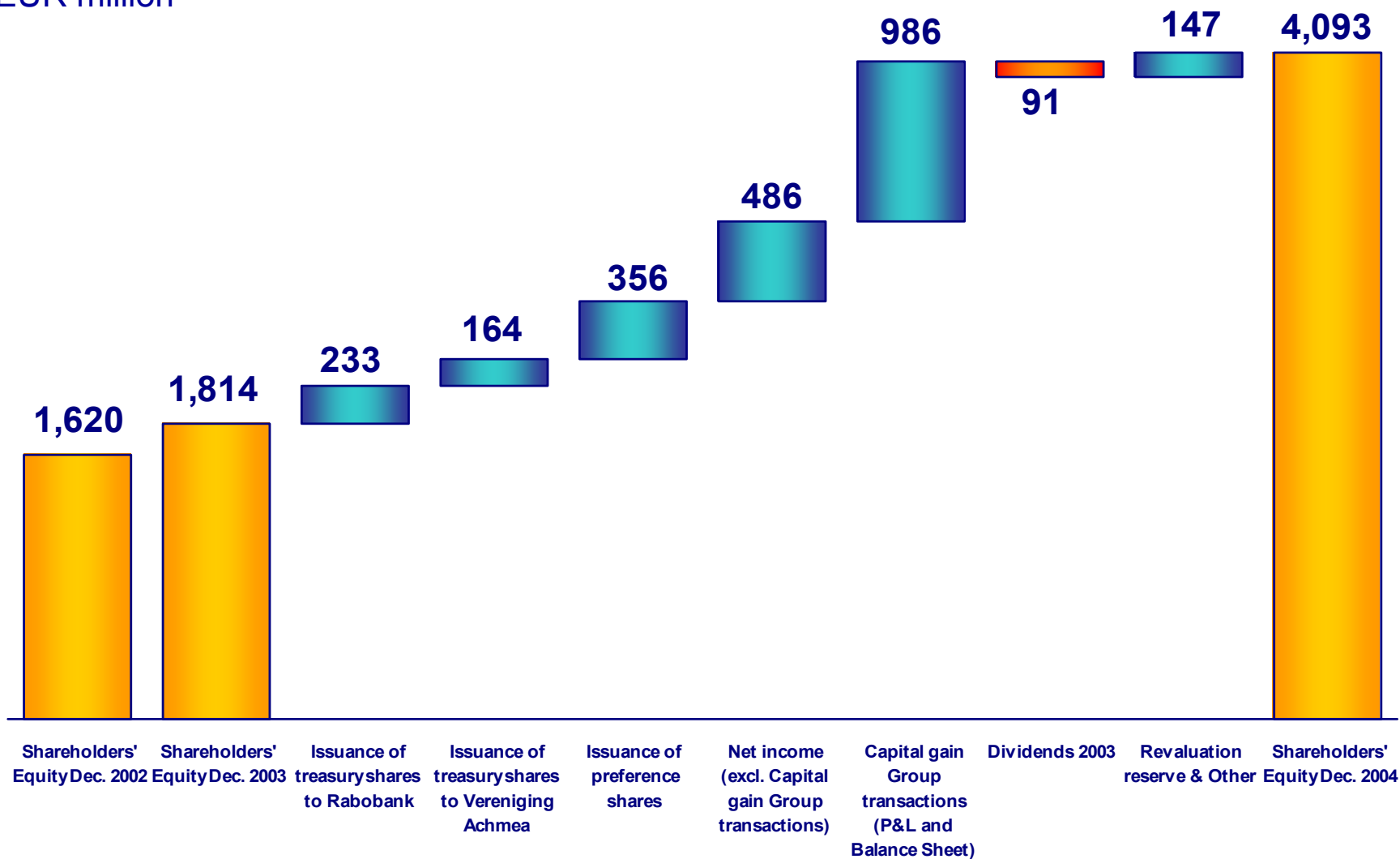
## Solid financial position

---

- Shareholders' equity increased by more than EUR 2.2 billion to EUR 4,093 million from EUR 1,814 million
- Debt leverage improved to 11% from 36%
- Solvency at Operating Companies is strong
- Further strengthening of technical reserves, both in Life and Non-Life
- S&P Insurer Financial Strength Rating at 'A+', while Capitalisation is in the 'AA' range; outlook revised to stable from negative

# Shareholders' equity more than doubled in 2004

EUR million



## Focus on insurance and insurance related business ...

2004	Business line	Country
<b>Divesting</b>		
F&C Management	Asset management	United Kingdom
Intertrust	Asset management	Greece
Eduard de Graaff	Banking / Brokerage	Netherlands
Bank Millennium (divesting 18.9%)	Banking	Poland
Europabank	Banking	Belgium
Novabank (announced)	Banking	Greece
<b>Add on acquisitions</b>		
PZU (additional 10%)	Insurance	Poland
AXA health portfolio	Insurance	Netherlands
OZB/OZF	Insurance	Netherlands
Levob	Insurance / Retail banking	Netherlands

## ... and on distribution through banking channel and partnerships

2004

Business line

Country

### Banking partnerships

Rabobank



Health insurance

Netherlands

Eurobank



Insurance

Greece

Novabank



Insurance

Greece

First Active



Life insurance

Ireland

MillenniumBCP



Insurance

France

### Banking restructuring – managing for value

Staalbankiers



Banking

Netherlands

Friends First Finance



Banking

Ireland

## S&P improved the outlook on the ratings to stable from negative

Eureko Group	Insurer Financial Strength
	A+
Eureko B.V.	Senior unsecured debt
	BBB+
Achmea Holding N.V.	BBB+

On 21 December 2004, Standard & Poor's affirmed the group's insurance 'A+' long-term counterparty credit and insurance financial strength on its core operating entities, and revised the outlook to stable from negative.

In its announcement, Standard & Poor's commented: *"The ratings on Eureko reflect the Group's strong management team, strong capitalisation, and strong competitive position in the Dutch health and non-life insurance markets. Despite a strong improvement in the underlying performance of the life business, however, this segment remains weaker compared with the group's overall performance, and is an offsetting factor for the ratings."*

# Agenda

---

➤ Main developments

➤ Financial Highlights

➤ Summary

*Exhibits*

# Overall business financials are very satisfying

---

- Insurance
  - Life insurance business in transition phase; results do not meet standards yet
  - Excellent results in Non-Life
  - Health insurance business shows stable results; strong improvement of underlying technical results
- Banking / Asset Management
  - Banking business is in the black again
  - F&C Management consolidated until October 2004
- Contribution by associated and strategic companies very satisfying

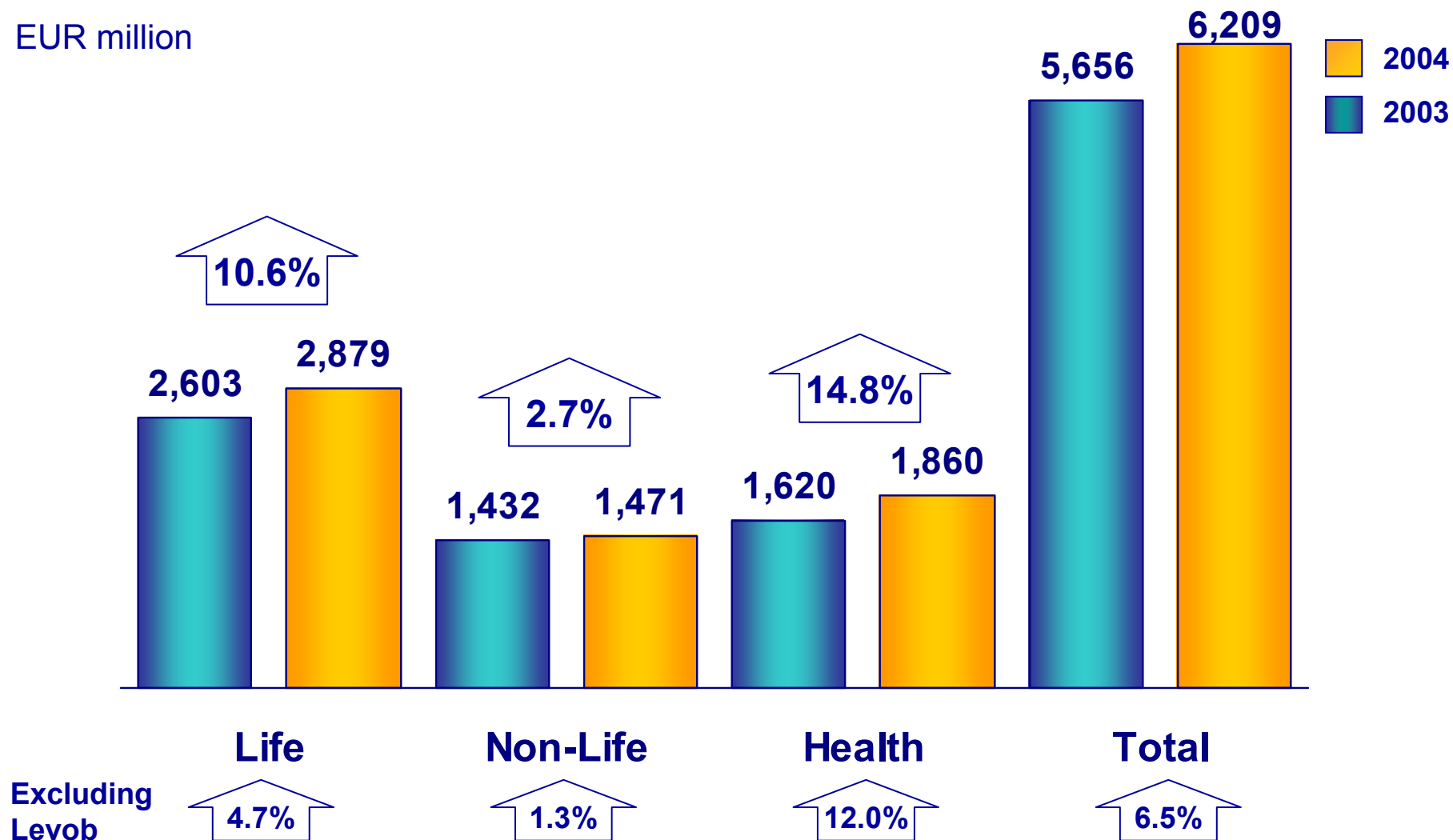
## Net income strongly improved

EUR Million	2003	2004	%
<b>Ordinary result before tax</b>			
Life	290	158	(46)
Non-Life	192	252	31
Health	121	124	2
Non-technical results	(16)	(43)	(169)
<b>Insurance</b>	<b>587</b>	<b>491</b>	<b>(16)</b>
<b>Asset Management *</b>	<b>67</b>	<b>48</b>	<b>(28)</b>
<b>Banking &amp; Consumer Finance</b>	<b>(47)</b>	<b>6</b>	
<b>Associated and Strategic Companies</b>	<b>18</b>	<b>161</b>	<b>794</b>
Other activities, Holding, intra-group adjustments, capital gain on Group transactions	(242)	597	
<b>Ordinary result before tax</b>	<b>424</b>	<b>1,271</b>	<b>200</b>
<b>Net income</b>	<b>243</b>	<b>1,153</b>	<b>374</b>

\* F&C Management included for the first 9 months of the year only

# Gross written premiums increased by 9.8%

EUR million



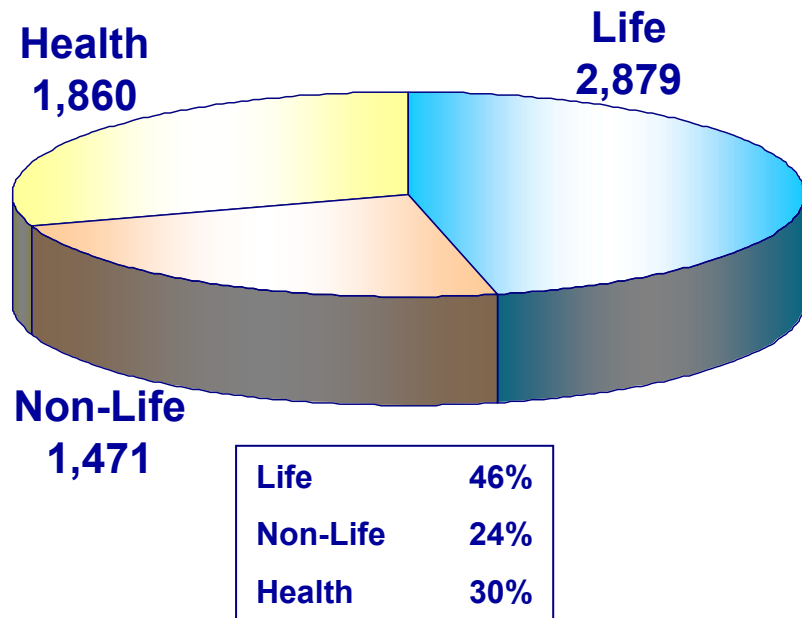
Levob is included in the figures since 1 July 2004

# Stable business balance

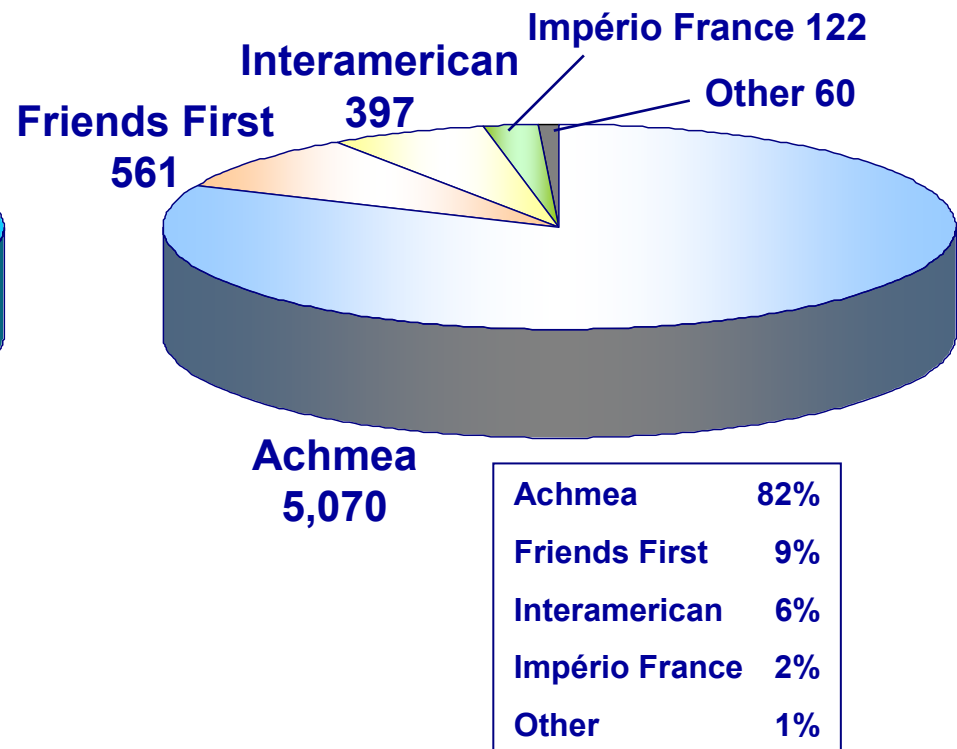
## Geographical emphasis on Dutch market

EUR million

Gross written premiums per business line

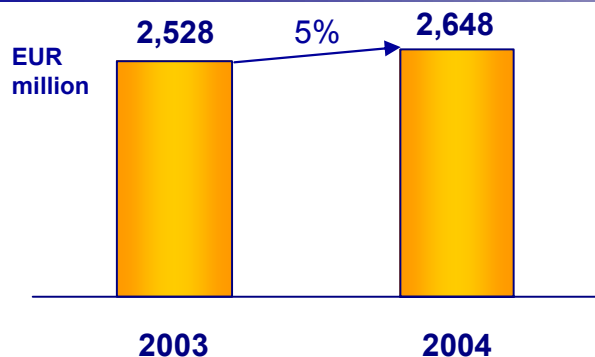


Gross written premiums per company



**Total GWP 2004: EUR 6,209 million**

# Life insurance in transition phase for better performance in the future

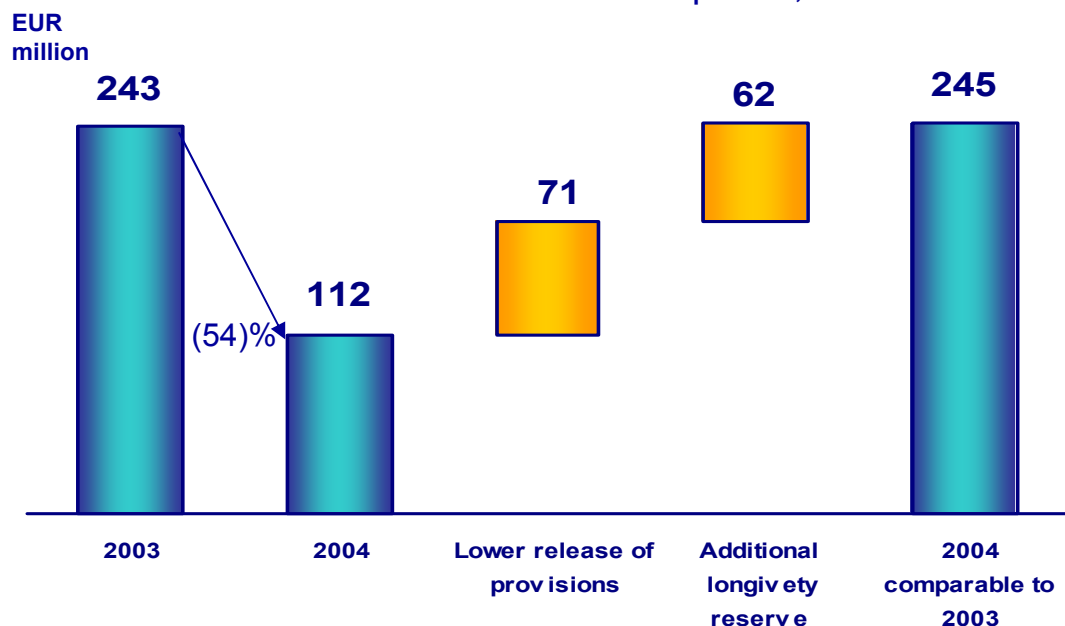


## Net earned premiums

Premium increase of existing contracts in Life is very satisfying taking the capital efficiency enhancing transfer of premiums to reinsurance at Friends First (EUR 164 million) into account. Growth would have been 11% without these reinsurance

## Technical results

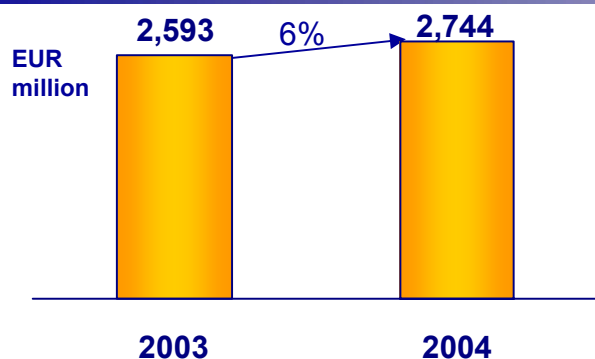
Life insurance business at **Achmea** and **Interamerican** in transition phase; **Friends First** shows a continued positive development.



## Technical results on a comparable basis

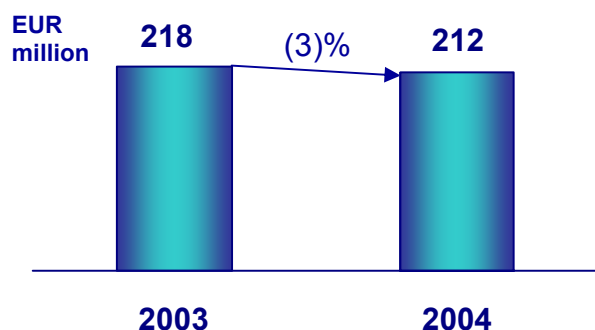
The reduction of the technical result is largely due to a lower release of technical provisions for profit sharing of EUR 71 million and additional longevity and miscellaneous provisions of EUR 62 million. Without these effects the technical results would be at the same level as 2003

## Life insurance in transition phase for better performance in the future



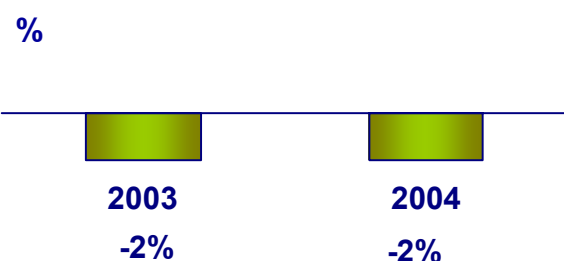
### Embedded value

The growth in embedded value of EUR 151 million is based on model changes, and a positive result of operating profit, which is offset by the economic profit and dividend payments



### New business APE

New business annual premiums equivalent (including 10% of single premiums) has been weak in 2004

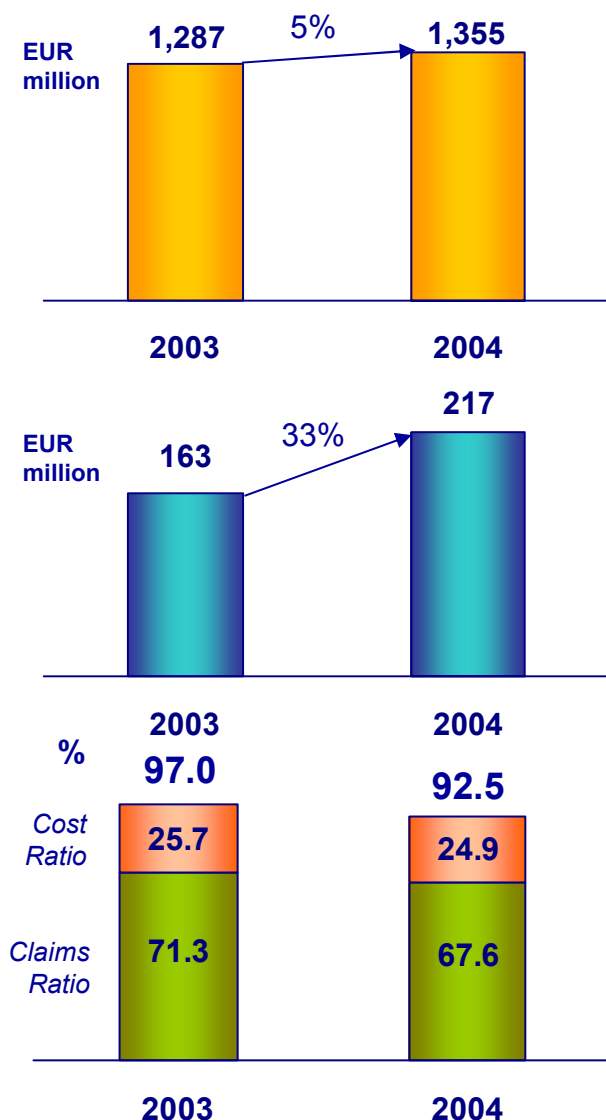


### New business margin

The development of the new business margin is stable, but remained negative in 2004. **Achmea** is the main contributor to the unsatisfactory margin. A focus on commercial vitality and cost reduction will be key at **Achmea's** developments in Life.

**Friends First** shows a positive and increasing margin. **Interamerican's** margin is still below zero, although strongly improving

# Non-Life insurance performs in a more challenging environment



## Net earned premiums

Multi channel distribution (emphasis on direct writing) and well diversified portfolio:

Motor	54%
Property	22%
General liability	19%
Other	5%

Net earned premiums increased by the inclusion of Levob and commercial successes at both **Achmea** and **Interamerican**

## Technical results

Strong improvement mainly due to low claims ratio and focus on cost control

## Combined ratio

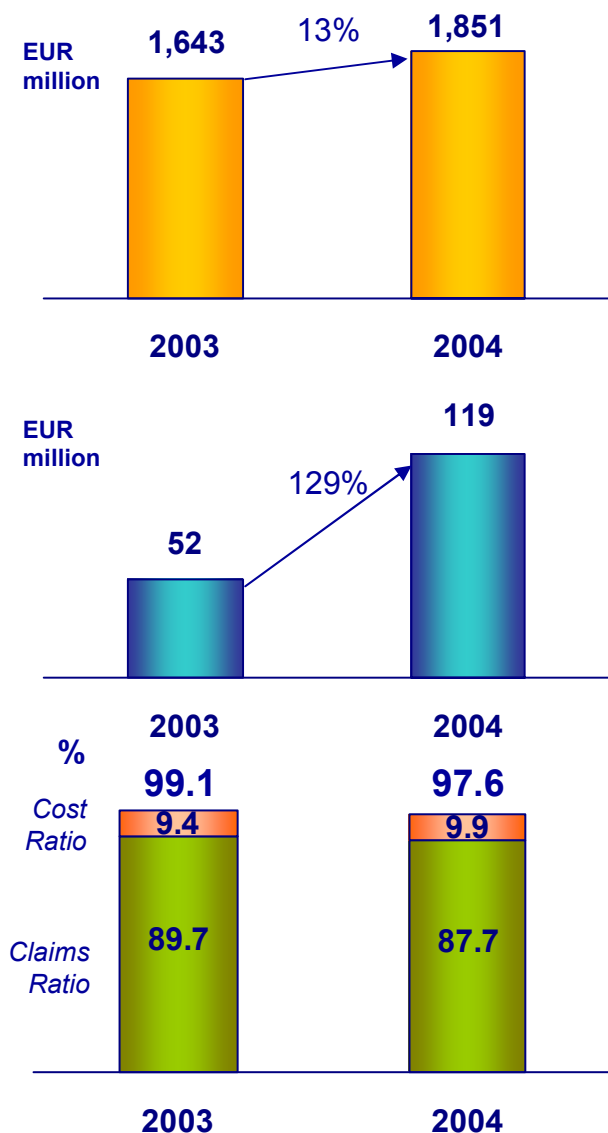
Non-Life insurance business has a sustainable competitive advantage by low combined ratio and expertise in claims handling and risk selection

Historic low claims ratio, especially in The Netherlands. In addition the claims handling reserves have been strengthened by EUR 29 million, excluding these reserves strengthening the combined ratio would improve to 90.3%

## Achmea's combined ratio

2003	97.0%	
2004	91.6%	(89.4%, excl. add. claims handling reserve)

# Health insurance shows excellent growth in premiums and results



## Net earned premiums

Health insurance business includes the Dutch Occupational Health (income protection and workers compensation)

Increase of net earned premiums by amongst others the inclusion of **Levob**.

Occupational Health premiums slightly lower at EUR 338 million (down 1%) due to economic circumstances.

The AXA health portfolio will have an effect on the 2005 figures. With the inclusion of Levob and AXA the number of health insured (publicly and privately) increase to 2.9 million in The Netherlands, up 7%

## Technical results

Results more than double as claims ratio improves with 2% and cost ratio goes up with 0.5%

## Combined ratio

Cost ratio slightly up mainly due to projects of which the cooperation with Rabobank, legislation changes and further investments in customer service

## Achmea's combined ratio

2003	98.3%
2004	97.6%

## Health services suffer from depressed Dutch markets

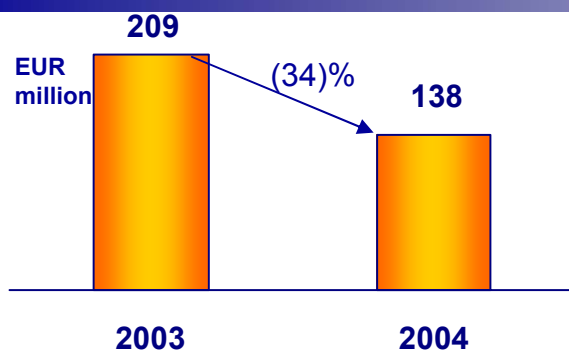
EUR million	2003	2004	%
<b>Revenues</b>	<b>266</b>	<b>251</b>	<b>(5)</b>
<i>Ordinary result before tax (excluding restructuring cost)</i>	<i>(14)</i>	<i>(14)</i>	
<i>Restructuring costs</i>	<i>(5)</i>	<i>(35)</i>	
<i>Ordinary result before tax (including restructuring cost)</i>	<i>(19)</i>	<i>(48)</i>	
<b>Net income</b>	<b>(16)</b>	<b>(43)</b>	<b>(169)</b>

- Strong decline in results caused by reduced reintegration and advisory activities and also by additional restructuring costs of in total EUR 35 million in order to align the Health Services with the reduced market conditions
- Positive developments were shown at Interamerican, Eurocross and the Achmea Health Centres

### Achmea offers a unique proposition

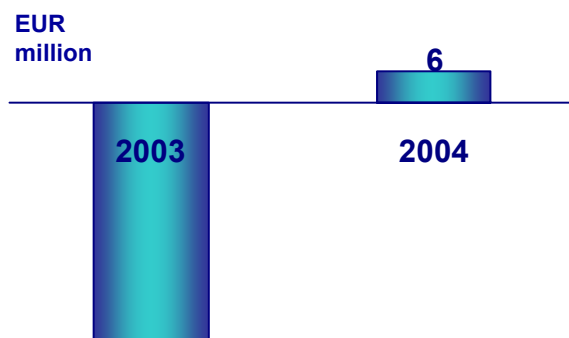
- The Achmea Health Services has a strong position in the Occupational Health market and offers an integrated product range of Health services combined with the Health insurance
- In 2005 the focus will be on cost efficient offering of products and services

# Banking & Consumer Finance ready for a further uplift



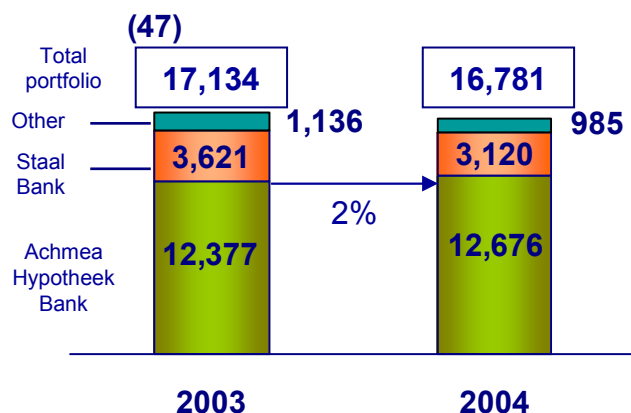
## Net interest margin

The net interest margin decrease resulted mainly from the major re-structuring in 2004 and through divestments (of Europabank, Eduard de Graaff, syndicated loan portfolio and real estate portfolio). The decrease is partly offset by the interest margin contribution of **Levob** which is included at **Achmea Retail Bank** during 2004



## Ordinary result before tax

The result is supported by the book profit on the sale of Europabank, which was largely offset by a provision for the restructuring of **Staal Bank**. The **Achmea Hypotheekbank** (mortgages) operation continued to post good results, although operating results of EUR 28 million were lower than in 2003 (EUR 33 million)



## Banking credit portfolio

Total total banking credit portfolio decreases with 2% due to divestments. The **Achmea Hypotheekbank** mortgage portfolio shows an increase of 2%. The portfolio of **Friends First Finance** showed an increase of 14% to EUR 364 million

**Achmea Hypotheekbank** successfully completed a securitisation of residential mortgages of EUR 1.25 million. **Friends First Finance** issued a syndicated loan and a revolving credit facility with a total maximum size of EUR 270 million

## Associate Companies and Strategic Investments show very satisfying results

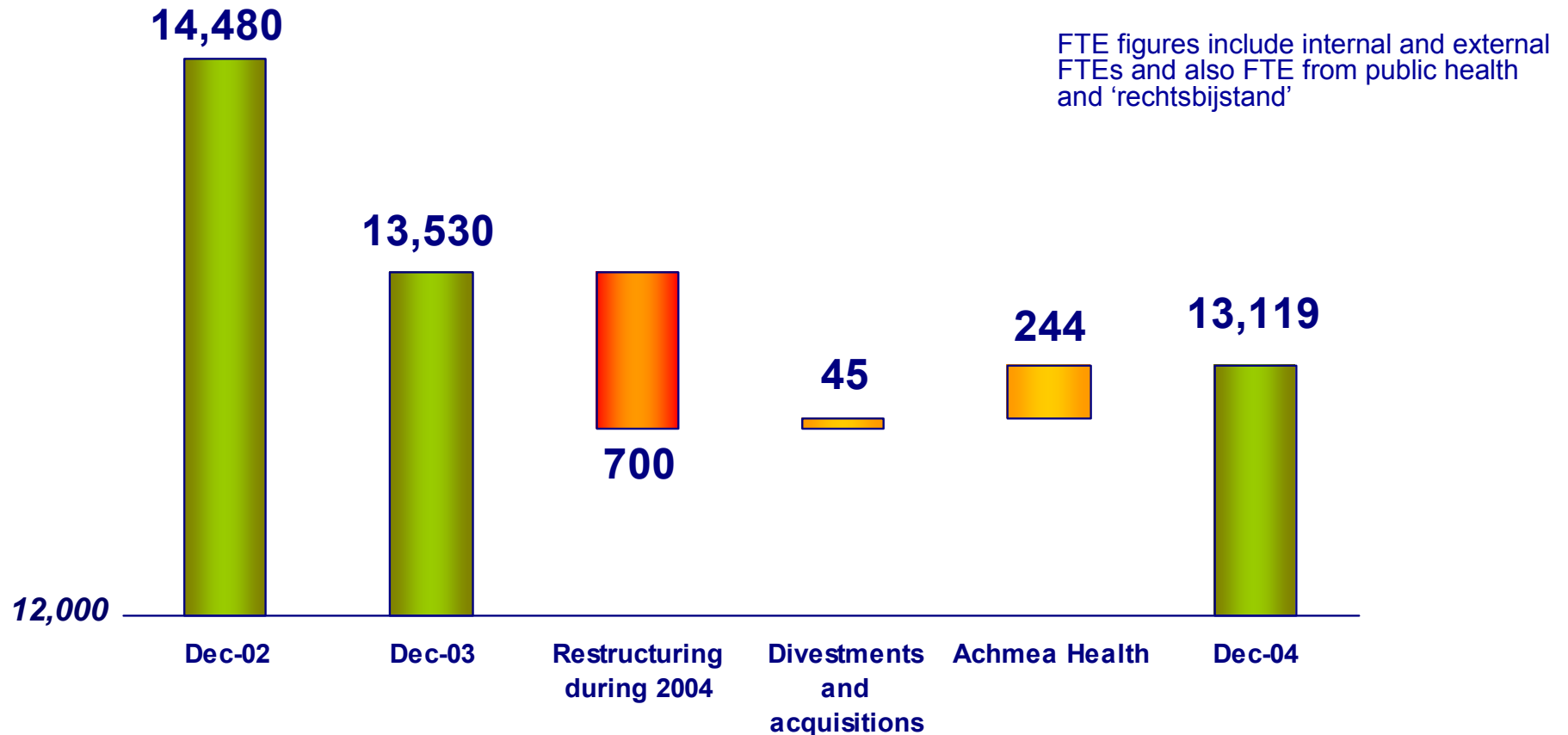
EUR Million		2003	2004	%
PZU		87	111	28
MillenniumBCP		(28)	37	
Other Associates and Strategic Investments		(41)	13	
<b>Associate Companies and Strategic Investments</b>		<b>18</b>	<b>161</b>	<b>794</b>

**Other associates and strategic investments** include MAAF Assurances, Bank Millennium, F&C, Friends Provident. In 2003 this figure was heavily affected by an impairment on MAAF Assurances of EUR -38 million. The result from F&C is not included in the 2004 figures

## Well balanced investment portfolio of Insurance Operating Companies

	2003		2004	
Fixed Income	15,862	80%	18,018	79%
Equities	2,504	13%	3,066	14%
Real Estate	1,060	5%	1,127	5%
Other Financial Investments	307	2%	471	2%
<b>Insurance Investments</b>	<b>19,733</b>	<b>100%</b>	<b>22,682</b>	<b>100%</b>
Holding strategic investments	396		619	
Other and intra-group investments	(2,001)		(1,636)	
<b>Total investments</b>	<b>18,128</b>		<b>21,665</b>	

# Continuing efficiency improvements at Achmea



**Restructuring** took place at Occupational Health, Achmea Bank and Achmea Pensions

**Divestments** include Europabank, Eduard de Graaff, Staalbankiers back-office

**Acquisitions** include mainly Levob, AXA

## Developments on the Dutch market: uncertainty for all participants

---

*The proposed reforms by the Dutch Government on the market for Health, Occupational Health and Pensions instigate considerable difficulties for providers of these insurances and services as the new (proposed) legislation creates a climate of uncertainty for all participants*

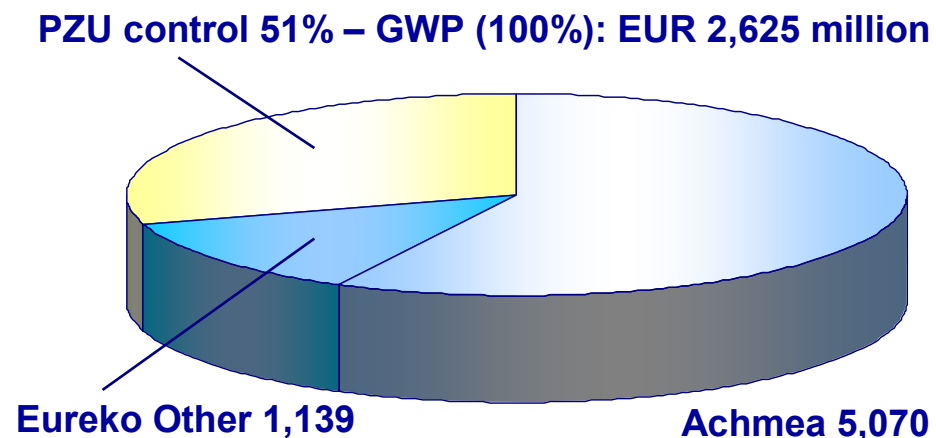
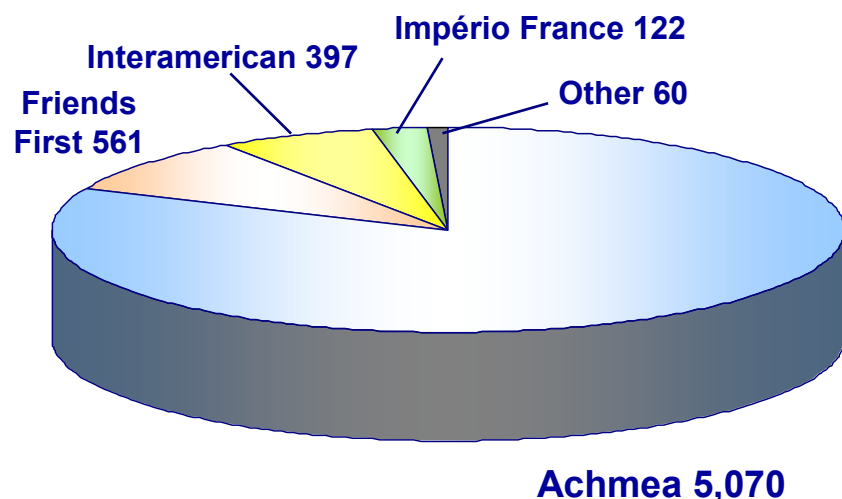
## PZU – update on the arbitration process

*The Arbitration Court will decide whether the Polish Government has failed to protect the rights of foreign investors (bilateral agreement between Poland and The Netherlands in 1992)*

- The arbitration process continues. We await the decision and recommendations of the judges
- The Polish State has not yet accepted the compromise agreement proposed in December 2004
- **Eureko yesterday offered to testify before the “Parliamentary Investigative Commission to Investigate Regulatory Compliance”**
- **Eureko yesterday published letters exchanged between Eureko and the State Treasury Ministry and other Polish governmental and regulatory agencies**
  - “White Book 2” (November 2000 – March 2005)
  - “White Book 1”, reprint (January 2000 – November 2000)
- In December 2004, Eureko increased its stake in PZU with 10% to 31.8%

# Eureko diversification would strongly improve, including PZU \*

EUR million, Gross Written Premiums



**Eureko: EUR 6,209 million**

Achmea	82%
Friends First	9%
Interamerican	6%
Império France	2%
Other	1%

**Eureko incl. PZU: EUR 8,834 million**

Achmea	57%
PZU (100%)	30%
Friends First	6%
Interamerican	4%
Império France	1%
Other	1%

\* PZU figures are 2003 actuals

# Changes in Corporate Governance

## **Eureko Executive Board**

Eureko today announced that its Supervisory Board had accepted the resignation of Gijs Swalef (Chairman and CEO) with effect from 1 October 2005. He will be succeeded in the role of CEO by Maarten Dijkshoorn

Mr. Swalef will remain Chairman of the Achmea Association, Eureko's major shareholder

From 1 October 2005, the Eureko Executive Board will consist of:

Maarten Dijkshoorn (Chairman and CEO)	Gert van Arkel
Ernst Jansen (Vice-Chairman)	Willem van Duin
Gerard van Olphen	Margriet Tiemstra

## **Eureko Supervisory Board**

It is also announced that at the Annual General Meeting on 30 March 2005, the Supervisory Board will be reduced to 10 members (from 17 members). Amongst the ones who will step down is the Chairman, Johan de Veer. He will be succeeded by Mr. Arnold Walravens (currently Vice-Chairman)

# Agenda

---

➤ Main developments

➤ Financial Highlights

➤ Summary

*Exhibits*

## Summary

---

### **Financial turnaround delivers solid foundation**

- **Turnaround delivers success**
- **Solid financial position**
- **Focus on insurance and insurance related business**

# Outlook

---

**2004 created a structural basis for:**

- **Investing in profitable growth in mature markets**
  - Improve Life
  - Sustain strong performance in Non-Life and Health
  - Selective M&A
- **Invest in growth in developing markets**
  - Central Eastern Europe

# Agenda

---

## *Exhibits*

- *Operating and Associated Companies*
- *Financial highlight per main Operating Company*
- *Shareholder and Organisational structure*
- *List of main announcements*
- *IFRS*

## Operating & Associated Companies – net income

EUR Million	2003	2004	%
Achmea	212	325	53
Interamerican	21	(17)	
Friends First	20	27	35
F&C Management	43	27	(37)
Other	2	1	(33)
<b>Operating companies</b>	<b>297</b>	<b>364</b>	<b>23</b>
<b>Associated and Strategic companies</b>	<b>18</b>	<b>161</b>	<b>794</b>
Capital gain from Group transactions		667	
Holding	(72)	(39)	46
<b>Net income</b>	<b>243</b>	<b>1,153</b>	<b>374</b>

# Achmea

EUR Million	2003	2004	%
<b>Gross written premiums</b>	<b>4,664</b>	<b>5,070</b>	<b>9</b>
Life	232	136	(41)
Non-Life	154	210	36
Health	65	117	80
<b>Technical result Insurance</b>	<b>451</b>	<b>463</b>	<b>3</b>
<b>Non-technical results</b>	<b>57</b>	<b>19</b>	<b>(66)</b>
<b>Asset Management</b>	<b>11</b>	<b>11</b>	<b>0</b>
<b>Banking</b>	<b>(48)</b>	<b>2</b>	
<b>Other activities and Holding</b>	<b>(108)</b>	<b>(43)</b>	<b>60</b>
<b>Ordinary result before tax</b>	<b>363</b>	<b>452</b>	<b>25</b>

# Interamerican

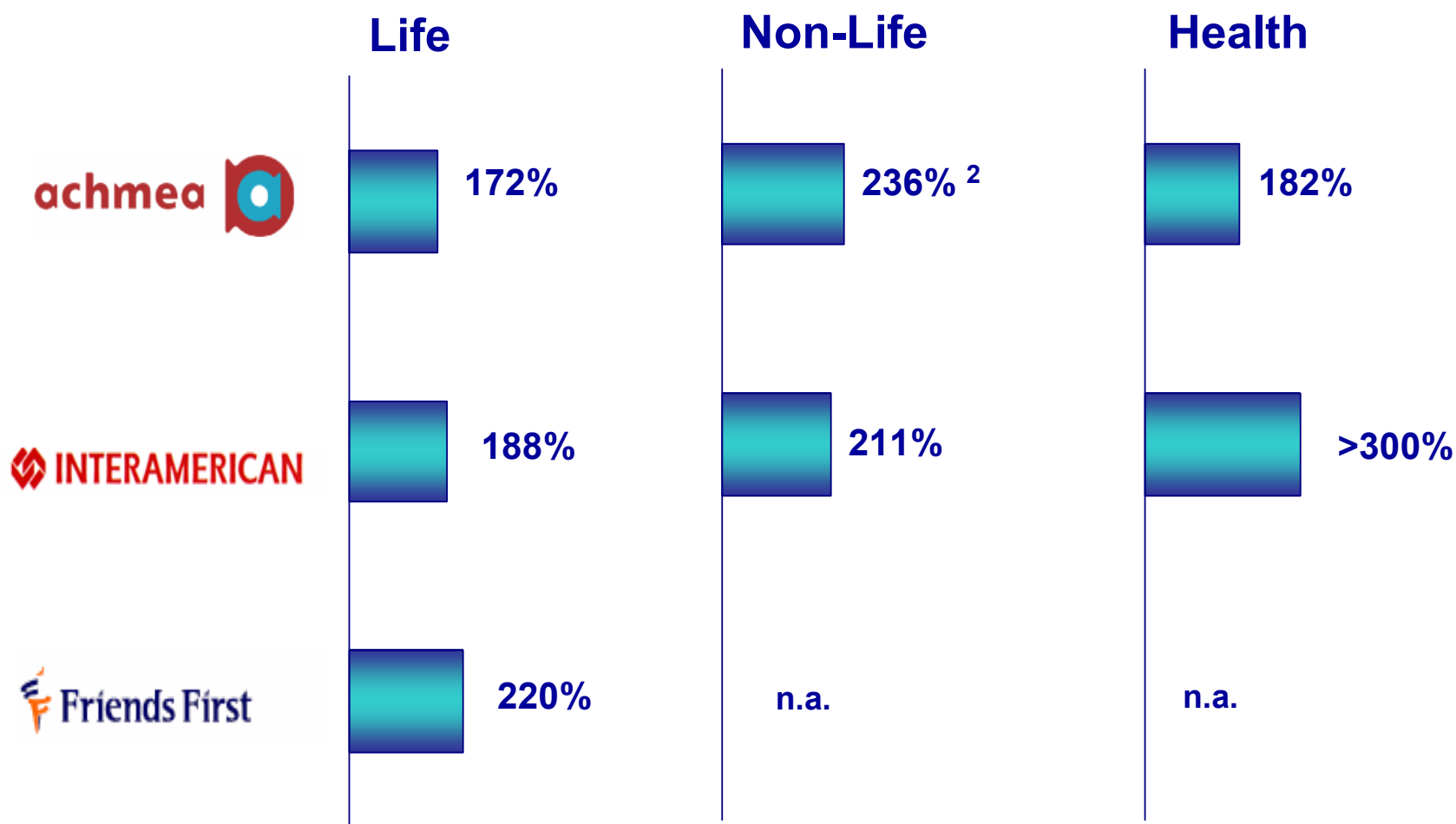
EUR Million	2003	2004	%
<b>Gross written premiums</b>	<b>383</b>	<b>397</b>	<b>4</b>
Life	(2)	(42)	--
Non-Life	4	6	40
Health	(1)	1	
<b>Technical result Insurance</b>	<b>1</b>	<b>(36)</b>	
<b>Non-technical results</b>	<b>25</b>	<b>18</b>	<b>(28)</b>
<b>Asset Management</b>	<b>1</b>		
<b>Banking</b>	<b>2</b>		
<b>Other activities and Holding</b>			
<b>Ordinary result before tax</b>	<b>29</b>	<b>(18)</b>	

# Friends First

EUR Million	2003	2004	%
<b>Gross written premiums</b>	<b>472</b>	<b>561</b>	<b>19</b>
Life	12	15	32
Non-Life	2	1	(50)
<b>Technical result Insurance</b>	<b>14</b>	<b>16</b>	<b>18</b>
<b>Non-technical results</b>	<b>3</b>	<b>5</b>	<b>63</b>
Consumer Finance	0	4	
Other activities and Holding	3	6	100
<b>Ordinary result before tax</b>	<b>20</b>	<b>31</b>	<b>57</b>

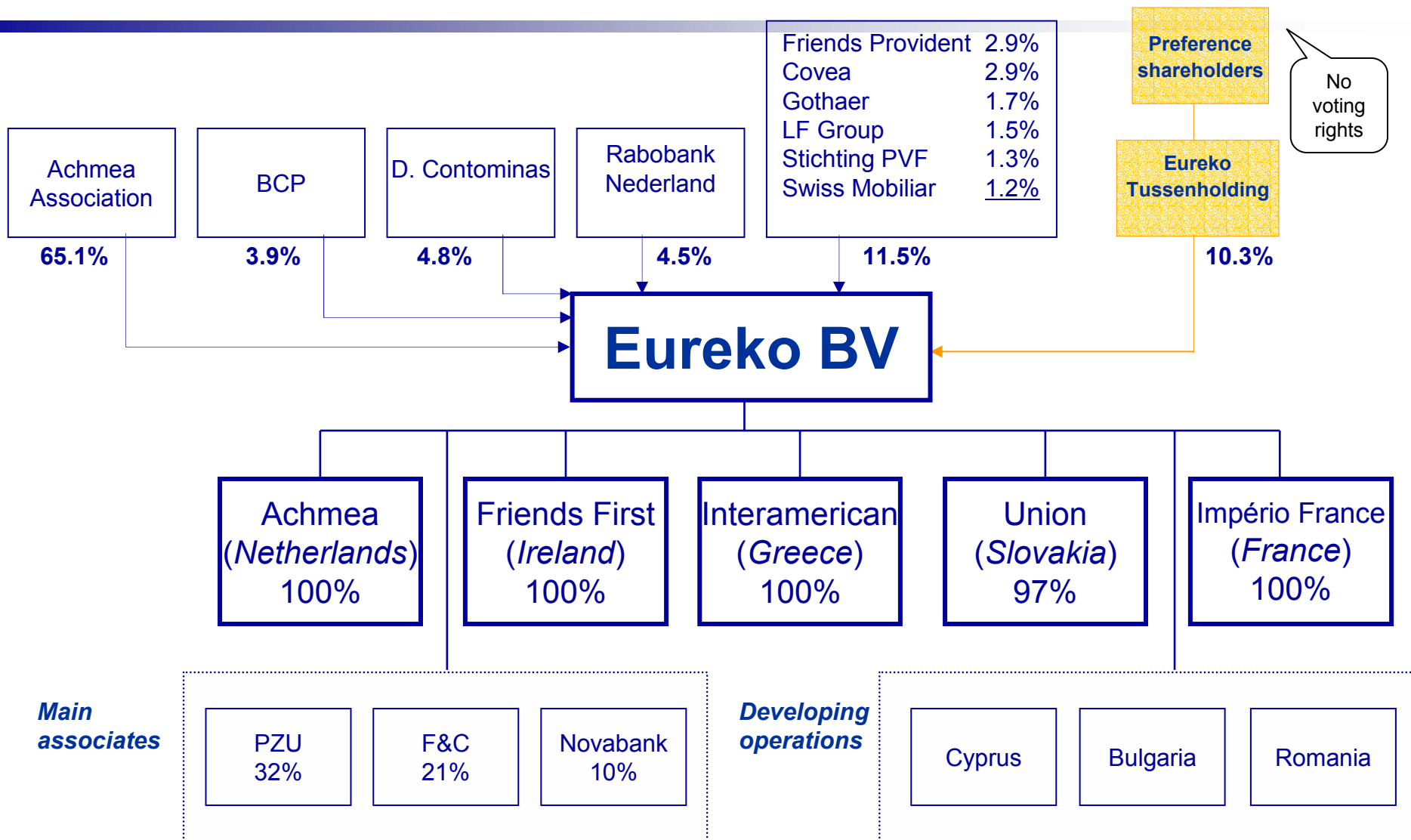
# Solvency at Eureka's main insurance companies

Strong solvency at all Eureka operating companies <sup>1</sup>



<sup>1</sup> Calculations on local principles and definitions; <sup>2</sup> Solvency for Non-Life at Achmea includes disability insurance

# Shareholder and Organisational structure<sup>1</sup> (per January 2005)



<sup>1</sup> Presented percentages for Eureko's shareholders are voting rights; Rabobank Nederland holds a 5% shareholding of ordinary voting shares

# List of main announcements in 2004

---

## **27-01 Reorganisation of Staal Bank; focus on private banking**

*02-03 Staal Bank transfers Eduard de Graaff brokerage activities to Rabo securities*

*24-03 Staalbankiers out sources its back office to Ordina*

*02-04 Sale of Europabank to Belgian Landbouw Krediet (Crédit Agricole)*

*12-07 Sale of Staal Bank's Commercial Real Estate to Bouwfonds Property Finance*

## **29-01 Disposal of F&C Management**

*02-07 Merger of F&C Management and ISIS Asset Management*

*11-10 Completion of merger between F&C Management and ISIS Asset Management*

## **11-02 Co-operation agreement between Eureko and Rabobank**

*01-04 Eureko and Rabobank signed the final Agreement in which Rabobank acquires a 5% stake in Eureko, an exchange of members at Supervisory Board level and the cooperation in health insurance*

## **22-03 Issuance of preference shares at Eureko BV**

## **16-04 Friends First plans sale of Friends First Finance**

## **09-06 Interamerican sells Intertrust to EFG Eurobank**

## **01-07 Merger of Levob with Achmea entities**

## **16-09 Transfer of AXA's health portfolio in The Netherlands to Achmea**

## **18-11 Achmea announced the incorporation of OZB/OZF in the Health insurance business line**

## **22-12 Acquisition of 10% stake in PZU and sale of 18.9% stake in Bank Millennium**

# IFRS

---

- Eureka will adopt IFRS based accounting principles in its reporting as of 2005, including comparable figures 2004
- Details in respect of the impact of IFRS on the 2004 figures will be provided in Q2 2005
- Expected impact from IFRS
  - The change in reporting will not effect the economic principles of Eureka's business
  - Introduction of IFRS will lead to more volatility of Net Income
  - The impact on Shareholders' Equity is expected to be limited
    - Eureka preference shares will remain to be included in the Capital Base