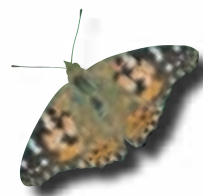




# EUREKO

interim report  
half year 2001



The new force in financial services

## Interim Statement

Since its creation in its current form in November 2000 (through a combination of Achmea, a leading insurance company in the Netherlands, and Seguros e Pensões, the largest Life and Non-Life insurer in Portugal, under the Eureka umbrella), Eureka has maintained a focus on European insurance and asset management, its core businesses.

Eureka has operations and enjoys leading market positions with strong local brands in the Netherlands, Portugal, UK, Ireland, Greece and Slovakia. Eureka also has strategic investments in PZU of Poland, the largest Life and Non-Life insurance company in Central Europe, and in France, through MAAF Assurances and MAAF Vie.

Eureka maintains its ambitions to expand its European insurance and asset management activities, increasing its presence in the markets where it is currently active and seeking to enter new markets which fit its investment criteria.

Performance improvement, synergies and horizontal platforms are under development to reinforce the value creation within the Eureka strategy.

**João Talone**, Chief Executive Officer

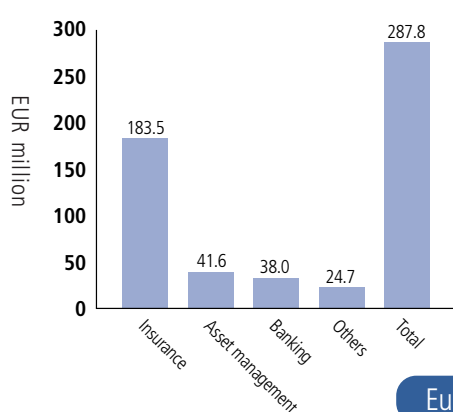
Amsterdam, 6 September 2001

## Highlights

EUR million	30/6/01	30/6/00	Change %
			<b>(pro-forma)</b>
Gross written premiums	3,755.8	3,722.6	0.9%
Gross written premiums Non Life	1,712.8	1,633.4	4.9%
Gross written premiums Life	2,043.0	2,089.2	-2.2%
Total investment income	550.0	872.2	-36.9%
Net claims and movements			
in technical provisions	3,212.4	3,388.0	-5.2%
Net income before tax	265.4	281.6	-5.8%
Net income after tax	212.2	215.6	-1.6%
EBITDA	378.2	389.5	-2.9%
	30/6/01	31/12/00	
Shareholders' equity	3,211.4	3,930.9	-18.3%
Total assets	51,976.4	49,149.2	5.8%
Total investments	31,036.2	30,376.8	2.2%
Total technical provisions	29,673.5	28,300.8	4.9%
Return on equity	11.9%	11.0%	
Return on assets	0.8%	0.9%	
Earnings per share (EUR)	1.06	1.14	-7%
Total assets under management	112,487.5	118,652.0	-5.2%

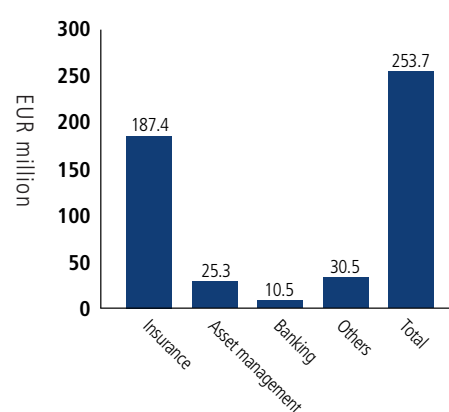
### Ordinary results before tax by business lines 2000

First half of 2000

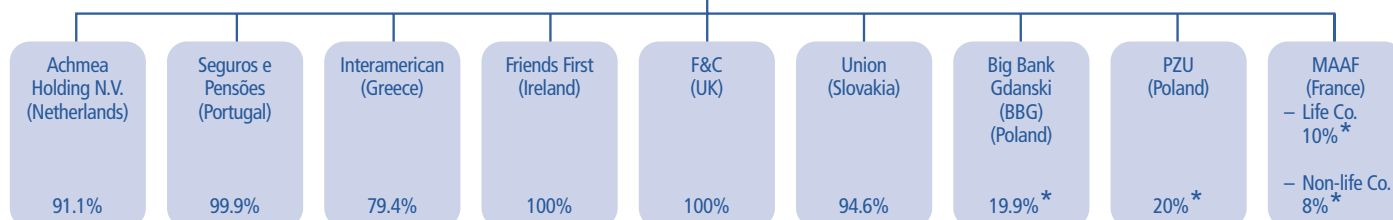


### Ordinary results before tax by business lines 2001

First half of 2001



Eureka B.V.



\* Strategic investment

## Main Developments

### Eureko

In May 2001, Eureko successfully negotiated to acquire 54.4% of **Interamerican** from its majority shareholder for a total cash consideration of EUR 977.4 million. Eureko had previously committed to purchase BCP's 25% shareholding in Interamerican, making its total shareholding 79.4%. A Public Offer has been launched for the remaining shares at EUR 20.74 per share.

In June 2001, Eureko acquired the remaining 10% shareholding of **F&C Group (Holdings) Limited (F&C)** for EUR 62.4 million from Foreign & Colonial Investment Trust PLC (Foreign & Colonial).

In June 2001, **Imperio France**, the leading insurer for the Portuguese community, was acquired from Seguros e Pensões by Eureko B.V.

Following the de-mutualisation of **Friends Provident** with a listing of its shares on the London Stock Exchange, Eureko acquired 5% of the shares in July 2001.

### Operating Companies

#### Achmea

The Achmea Group has undertaken a re-branding exercise aimed at bringing the Achmea name and mission statement into the public arena. This has been accomplished by co-branding – adding the Achmea name to the majority of its brands, e.g. Centraal Beheer Achmea.

#### Achmea Pensions and PMI

The Metalworking Industry Pension Fund (PMI) and Achmea joined forces in July to boost their services to the industry, placing particular emphasis on data traffic over the Internet. One of the services to be provided to employers is on-line pension administration, an innovative development permitting on-line queries and changes.

### F&C

The asset management businesses of AGI (Netherlands) and AF Investimentos (Portugal) were integrated into F&C and now trade under the F&C brand with over EUR 112.5 billion assets under management.

### Friends First

Friends First launched its "SaverFirst" product in response to a government-sponsored initiative on tax-efficient savings, aimed at the mass market.

**PZU: Strategic co-operation agreement between PZU Group and Eureko.** The areas of co-operation include new product development and underwriting; new distribution channels and cross selling, and asset management. These will be implemented via knowledge transfer, training and management development. Eureko Polska has been created in order to implement directly all project assistance to the PZU Group's companies.

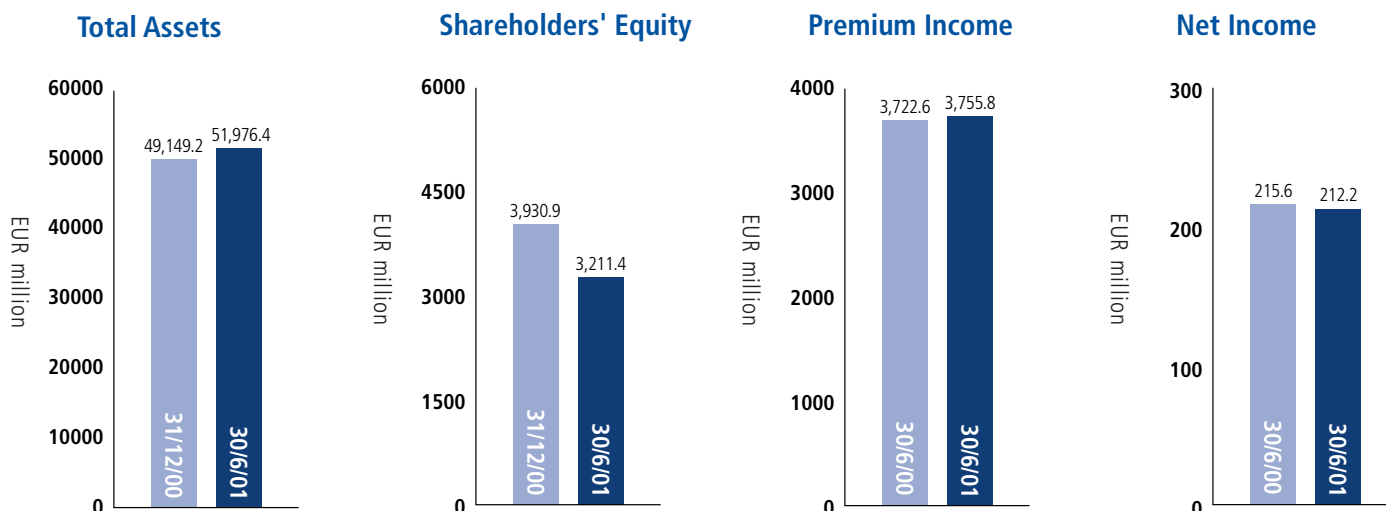
PZU introduced an Internet tool to conduct on-line tenders for car repair workshops, thus achieving greater transparency and significant price reductions.

PZU acquired BWE Asset Management from Bank Współpracy Europejskiej Group.

### Seguros e Pensões

An innovative internet site, dedicated to health care management and information was launched by Médis Saude.

Pensõesgera, the pension fund manager, increased funds under management by 5.6% over the corresponding period in 2000.



## Financial Review

### Introduction

For purposes of comparison, the half year 2000 accounts were prepared on a pro-forma basis, as if the new Eureka Group had been operating from 1 January 1999. The intention is to give a true and fair view of the Group's performance. (Eureka was restructured in November 2000).

### Net income

Eureka's consolidated net income for the first half of 2001 was EUR 212.2 million, a decrease of 1.6% over the same period last year (H1 2000: EUR 215.6 million).

In the first half of 2001 Eureka's insurance activities registered an increase of 2% in their operating results from EUR 183.5 million to EUR 187.4 million. Life technical result performed 10% below H1 2000 while the Non-Life technical result increased 49% to EUR 47.7 million. The combined ratio improved in the first half of 2001 to 100.3% from 104.8%; better claims and expenses ratios combined with higher premium volumes were the main drivers behind this strong performance. Investment returns and sales of Life products were affected by weak capital markets, which also impacted on the operational results of asset management and banking activities. This was partially offset by a strong increase in the contribution from associated companies, up from EUR 60.7 million in H1 2000 to EUR 82.9 million in H1 2001 (which includes capital gains from the sale of Parion shares).

Lower provisions for income taxes and extraordinary results of EUR 11.7 million lifted Eureka's results (before minority interests) from EUR 224.4 million to EUR 225.5 million. Minority interests increased by 51% to EUR 13.3 million in H1 2001.

The ROE increased from 11.0% in H1 2000 to 11.9% in H1 2001. Earnings per share decreased 7% from EUR 1.14 in H1 2000 to EUR 1.06 in H1 2001.

### Premiums

Total gross written premiums amounted to EUR 3,755.8 million in H1 2001, up 1% on H1 2000.

Non-Life premiums increased 5% to EUR 1,712 million (H1 2000: EUR 1,633.4 million) and Life premiums

decreased 2% to EUR 2,043 million (H1 2000: EUR 2,089.2 million).

Expanding client bases in Health and Property drove premiums up by 6.7% and 10.3%, respectively, which more than offset a 1.4% decrease in motor business, reflecting a more selective underwriting policy adopted by Group companies. Capital markets had a negative impact on sales of Life products.

Life premiums represented 54.4% of total premiums (H1 2000: 56.1%) while Non-Life premiums accounted for 45.6% (H1 2000: 43.9%).

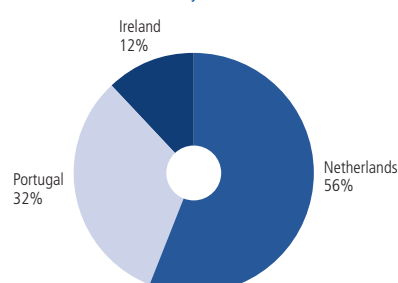
### Shareholders' equity

Total Shareholders' equity decreased 18.3% during the first six months of 2001 to EUR 3,211 million. This was mainly due to the fluctuation in the revaluation reserve, adjusted by EUR 639.6 million; the increase of goodwill of EUR 168.9 million related to Dutch pension fund adjustments to comply with IAS 19 (EUR 69 million); the acquisition of the remaining 10% in F&C (EUR 61 million); the final price adjustment on the Portuguese asset management business (EUR 25 million), and the payment of EUR 115.9 million in dividends.

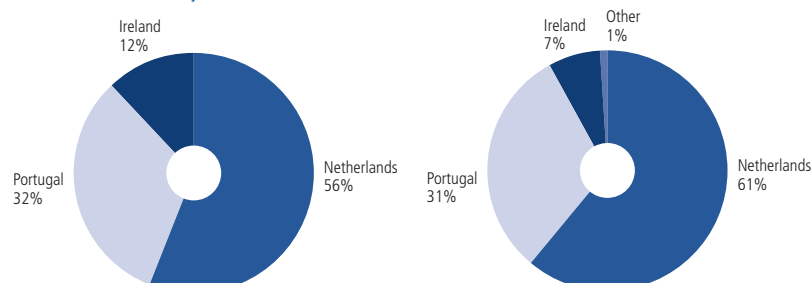
## Contribution by Company

EUR million			
Operating companies	30/6/01	30/6/00	Change %
		(pro-forma)	
Achmea (excl. AGI)	129.5	143.4	-9.7%
Seguros e Pensões	21.7	23.5	-7.7%
Friends First	7.2	8.3	-13.3%
F&C (incl. AGI/AFI)	16.8	24.2	-30.6%
Union	0.3	-0.6	150.0%
Others	-0.5	-1.8	72.2%
<b>TOTAL</b>	<b>175.0</b>	<b>197.0</b>	<b>-11.2%</b>
<b>Associates</b>			
BCP	15.7	10.3	52.4%
PZU	34.9	19.9	75.4%
MAAF	2.6	4.3	-39.5%
Interamerican*	-4.8	13.7	-135.0%
Intertrust*	1.8	4.5	-60.0%
Other investments	-0.8	3.5	-122.8%
<b>TOTAL</b>	<b>49.4</b>	<b>56.2</b>	<b>-12.1%</b>
Holding company costs	-32.8	-32.5	-0.9%
Non-recurring items	20.6	-5.1	503.9%
<b>TOTAL</b>	<b>-12.2</b>	<b>-37.6</b>	<b>67.6%</b>
<b>TOTAL NET RESULTS</b>	<b>212.2</b>	<b>215.6</b>	<b>-1.6%</b>
*based on 25% shareholding			

Premiums by country  
First half year 2000



Premiums by country  
First half year 2001



## Consolidated Balance Sheet

EUR million	30/6/01	31/12/00
<b>Assets</b>		
Investments in associated companies	714.3	647.5
Other investments	21,520.6	21,351.1
Investments on behalf of policyholders	9,515.6	9,025.7
Banking credit portfolio	14,049.7	13,270.6
Receivables	2,069.1	2,177.4
Other assets	1,884.7	1,386.3
Prepayments and accrued income	2,222.4	1,290.6
<b>Total Assets</b>	<b>51,976.4</b>	<b>49,149.2</b>
<b>Equity and Liabilities</b>		
Capital and reserves	3,211.4	3,930.9
Minority interest	377.9	401.1
Group equity	3,589.3	4,332.0
Subordinated loans	126.4	126.4
Fund for general banking risks	49.6	48.8
Group capital base	3,765.3	4,507.2
Total technical provisions	20,176.0	19,285.6
Technical provisions for policyholders	9,497.5	9,015.2
General provisions	586.2	805.1
Banking customer accounts	6,858.8	6,766.6
Loans and borrowings	6,612.0	5,336.9
Other liabilities	3,605.8	2,685.0
Accruals and deferred income	874.8	747.6
<b>Total</b>	<b>51,976.4</b>	<b>49,149.2</b>

## Movements in group equity

EUR million	2001
Balance at 1 January	3,930.9
Transactions with shareholders:	
– Issuance of new shares	2.2
– Paid in Surplus	15.9
– Dividend	-115.9
– Own shares repurchased	-52.4
	3,780.7
Change in revaluation reserve	-639.6
Change in currency reserve	27.0
Goodwill	-168.9
Net income	212.2
Balance at 30th June	3,211.4

## Consolidated Income Statement

EUR million	30/6/01	30/6/00
<b>Income</b>		
Gross written premiums Non Life	1,712.8	1,633.4
Gross written premiums Life	2,043.0	2,089.2
Gross written premiums	3,755.8	3,722.6
Reinsurance premiums	-166.2	-140.7
Change in provision		
for unearned premiums	-276.1	-319.9
Net earned premiums	3,313.5	3,262.0
Contributions received for health pooling	74.7	78.3
Income from associated companies	82.9	60.7
Investment income	653.3	668.0
Investment income		
for account of policyholders	-103.3	204.2
Asset management income	108.6	100.2
Banking income	685.0	582.0
Other income	184.6	146.7
Total income	4,999.3	5,102.1
<b>Expenses</b>		
Net claims & movements		
in technical provisions	3,212.4	3,388.0
Profit sharing and rebates	32.9	186.2
Operating expenses, insurance	635.7	598.8
Asset management expenses	107.2	77.7
Banking expenses	578.2	433.3
Interest expenses	80.3	75.4
Other expenses	98.9	54.9
Total expenses	4,745.6	4,814.3
Ordinary result before tax	253.7	287.8
Tax on ordinary results	-39.9	-57.2
Ordinary result after tax	213.8	230.6
Extraordinary result before tax	11.7	-6.2
Tax on extraordinary result	0.0	0.0
Result before minority interest	225.5	224.4
Minority interest	-13.3	-8.8
Total result after tax	212.2	215.6

## Summary Consolidated Cash Flow Statement

EUR million	first half year
	2001
Cash flow from operating activities	265.9
Cash flow from investing activities	-1,130.0
Cash flow from banking activities	275.8
Cash flow from financing activities	1,088.0
Net cash flow	499.7
Liquid assets at 1 January 2001	841.4
Liquid assets at 30 June 2001	1,341.1

## Review Report

### Introduction

We have reviewed the interim figures as at 30 June 2001 of Eureka B.V., Amsterdam. These interim figures are the responsibility of the Board of Eureka B.V. Our responsibility is to issue a report on these interim figures based on our review.

### Scope

We conducted our review in accordance with internationally accepted standards for review engagements. These standards require that we plan and perform the review to obtain moderate assurance about whether the interim figures are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data and therefore provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

### Opinion

Based on our review, nothing has come to our attention that causes us to believe that the interim figures as at 30 June 2001 do not comply with accounting principles for interim financial reporting generally accepted in the Netherlands.

Amsterdam, 6 September 2001

KPMG Accountants N.V.

## Accounting Principles

The accounting principles that have been used for the interim report are the same as those used for the Annual Report 2000.



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