delta lloyd group

annual report 2004

Delta Lloyd Group mission

Delta Lloyd Group is an open financial service provider working on a secure future for and with all its stakeholders, based on integrity and sound entrepreneurship.

Delta Lloyd Group profile

As a customer-focused and service-oriented financial service provider, Delta Lloyd Group offers its customers security through risk insurance, income protection and wealth growth. Strong brands – Delta Lloyd, OHRA and ABN AMRO Insurance – enable the company to deliver a wide range of products and services through the consumer's distribution channel of choice: from simple savings products to complex insurance and pension products and financial planning services.

Delta Lloyd Group aims to be one of the leading financial service providers in the Netherlands, Belgium and Germany. To this end, the Group pursues its core activities in profitable markets that offer sufficient scale.

Delta Lloyd Group employs approximately 6,500 staff (in FTEs). The Group consists of nine divisions active in four countries, with the following core activities:

- **Delta Lloyd Insurance;**
  insurance and pension services via independent intermediaries in the Netherlands
- **OHRA Insurance;**
  insurance and pension services sold direct to personal and business customers in the Netherlands
- **ABN AMRO Insurance;**
  insurance and pension services via the distribution network of ABN AMRO Bank in the Netherlands
- **Delta Lloyd Asset Management;**
  asset management in the Netherlands
- **Delta Lloyd Banking;**
  retail banking, private banking, brokerage and mortgages in the Benelux countries and asset management in Belgium
- **Delta Lloyd Property;**
  property investments in the Netherlands
- **Delta Lloyd Germany;**
  life and pension insurance, private banking, mortgages and asset management in Germany
- **Delta Lloyd Life Belgium;**
  life insurance and pensions in Belgium
- **ENNIA Caribe;**
  insurance and pension services on the Netherlands Antilles and Aruba

strategic framework

As a prominent player in the field of financial services, Delta Lloyd Group seeks to maintain a distinctive identity in the market. Delta Lloyd Group aspires to be a socially-engaged and community-minded financial service provider that contributes visibly to the ongoing development and prosperity of society.

Delta Lloyd Group continuously seeks the right balance between entrepreneurial spirit and social responsibility. In this endeavour it is committed to being an accessible organisation which has a clear focus on continuity.

Delta Lloyd Group puts the customer first and acts accordingly in its relations with intermediaries, consumers and businesses. As a committed member of society with a keen eye for social developments, both in and beyond its immediate environment, Delta Lloyd Group deliberately focuses on developing and marketing products and services that reflect its commitment and integrity. Inherent to this effort is the creation of a working environment that offers our staff a wealth of opportunity and choice.

Seven core values

Delta Lloyd has enunciated seven core values which give direction to its policy and determine its corporate culture and identity. The core values can be summarised as follows:

- **Integrity**

Stands for a totality of values, standards and rules that safeguards integrity within the organisation. This is expressed in a permanent sense of responsibility – and accountability – for one's own actions. Customers and trading partners are expected to uphold the same degree of integrity.

- **Central focus on the customer**

The customer's wishes come first and must be fulfilled optimally. Knowing the customer's needs, offering high-quality service, delivering on our promises and having an effective complaints procedure are key elements in this regard.

- **Responsibility and commitment**

A deep sense of responsibility for and commitment to customers, stakeholders, employees, distribution partners and society as a whole is the basic principle underlying all activities. Employees at every level are therefore encouraged to acquire expertise, take responsibility for tasks and solve problems.

- **Team spirit**

Providing financial services is a peoples business. Co-operation is crucial. Commitment, personal contacts and appreciation of results are critical success factors.

- **Open communication**

Trust, honesty and transparency are essential for the achievement of open communication.

- **Flexibility**

The continuity of the business depends on the ability to anticipate or rapidly respond to social developments. The willingness to change is a prerequisite in this respect.

- **Entrepreneurship**

An active and entrepreneurial company needs employees who are entrepreneurial, show initiative and feel responsible for results.

'The Future Secured' – the strategy of Delta Lloyd Group

The core activity of Delta Lloyd Group is to 'provide security'. That is what customers expect from Delta Lloyd Group, and the Group's sphere of activity therefore lies where the future can be secured: income protection, wealth growth and risk insurance. To provide security to its customers, Delta Lloyd Group has developed a long-term strategy aimed primarily at achieving strong growth, extensive distribution power, a wide range of products and services, efficiency and cost control. A clear strategic model has been devised in which the seven core values and three strong brands (Delta Lloyd, OHRA and ABN AMRO Insurance) are combined with a number of strategic pillars on which Delta Lloyd Group is building its future. Until the middle of 2004 this was called the 7-3-7 model, where the first 7 referred to the seven strategic pillars that were consistently and successfully implemented in previous years. This resulted in the successful transformation of an intermediary insurer operating largely in its Dutch home market into a strong, multi-channel all-finance service provider in the Netherlands, Germany and Belgium. Then, halfway through 2004, Delta Lloyd Group launched a renewed strategy entitled 'The Future Secured'. Building on the existing strategy, 'The Future Secured' is the Group's answer to a changing world: the insurance sector is strongly influenced by economic and political developments and this demands regular review and refinement.

In the renewed strategy, five strategic pillars have been defined for the coming years. The practical implementation and ongoing expansion of these pillars are essential in order to continue offering security in the future.

1. Reputation:

Reliability is essential in financial services. A good reputation is the reflection of that reliability, but also of the integrity of the organisation and its pursuit of social responsibility. Every employee of Delta Lloyd Group makes a contribution to the reputation of the Group as a whole.

2. Distribution power:

With three strong brands which each represent their own distinct distribution channel, Delta Lloyd Group occupies a strong position in the Dutch insurance market. Delta Lloyd Group is one of the few financial service providers that has made distribution power a core competence, and has thus obtained a distinctive advantage in the present-day market. The Group's ambition is to set up a similar multi-distribution platform in Belgium and Germany.

3. Efficiency:

The creation of single back offices enables Delta Lloyd Group to make optimal use of the synergy within the Group. Shared service centres are set up to support the brands and to facilitate the standardised handling of as many administrative back office activities as possible. The aim is to optimise the handling efficiency at centres of expertise at an attractive scale and volume. This improves the level of service and reduces costs. To operate competitively and efficiently, sufficient scale is of essential importance.

4. Expertise:
Delta Lloyd Group also distinguishes itself by the extensive knowledge and expertise available in the organisation and is keen to be seen by its customers as a financial service provider that knows its business. Two hundred years of history and a steady broadening of the operational scope through mergers, acquisitions and joint ventures have resulted in the accumulation of vast expertise. Delta Lloyd Group seeks to take full advantage of this through the unimpeded exchange of know-how across the Group. This expertise is also an important confidence-building factor. For it is only through knowledge and professionalism that Delta Lloyd Group can genuinely assist customers and distributors in word and deed. Expertise, alongside reputation, distribution power and operational efficiency, has therefore become an integral strategic pillar for Delta Lloyd Group.

5. Core values:
The seven core values defined by Delta Lloyd Group are deeply embedded in the organisation and have, for years, been a familiar guideline for all activities of Delta Lloyd Group. They give clear expression to what the Group stands for and serve as a touchstone.

organisation chart

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Delta Lloyd Group

- Executive Board and Corporate Staff
- Delta Lloyd Insurance
  - Delta Lloyd Life
  - Delta Lloyd General
  - Delta Lloyd Health
  - Delta Lloyd Marketing & Sales
  - Delta Lloyd and OHRA Health Insurance Funds
- OHRA Insurance
  - OHRA Life
  - OHRA General
  - OHRA Health & Income
  - National Savings Fund
- ABN AMRO Insurance
  - ABN AMRO Life
  - ABN AMRO General
- Delta Lloyd Asset Management
  - Delta Lloyd Asset Management
  - OHRA Asset Management
- Delta Lloyd Property
- Delta Lloyd Banking
  - Delta Lloyd Bank
  - OHRA Bank
  - Delta Lloyd Bank Belgium
  - Delta Lloyd Securities (Belgium and the Netherlands)
  - Bank Nagelmackers 1747 (Belgium and Luxembourg)
- Delta Lloyd Germany
  - Berlinische Lebensversicherung
  - Hamburger Lebensversicherung
  - Gries & Heissel Bankiers
  - Delta Lloyd Investment Managers
  - Delta Lloyd Finanzpartner
- Delta Lloyd Life
  - Delta Lloyd Life Belgium
  - Delta Lloyd Luxembourg
- ENNIA Caribe
  - ENNIA Caribe Life
  - ENNIA Caribe General
  - ENNIA Caribe Health

Supervisory Board and Executive Board

SUPERVISORY BOARD

J.A.N. (Jacques) van Dijk, chairman
V.A.M. (Vincent) van der Burg, deputy chairman
C.P.J. (Peter) Appeldoorn
P.G. (Pamela) Boumeester
H.C. (Caspar) Broeksma
R. (Richard) Harvey
R.H.P.W. (René) Kottman
Ph.G. (Philip) Scott
M.H.M. (Marcel) Smits

EXECUTIVE BOARD

N.W. (Niek) Hoek, chairman
R.L.M. (Rob) Hillebrand
P.J.W.G. (Peter) Kok
P.K. (Paul) Medendorp

Delta Lloyd Group key figures

In millions of euros		2004		2003
KEY FIGURES				
Income				
Gross premium income, life business	3,647.6		3,152.5	
Gross premium income, general business	1,133.1		978.5	
Gross premium income, health business	834.3		850.7	
Total gross premium income		5,615.0		4,981.7
Other operations		165.5		177.2
Investment income		2,254.7		1,875.8 *
Total income		8,035.2		7,034.7 *
Result				
Consolidated result				
Life business	248.6		-140.1 *	
General business	135.0		57.7 *	
Health business	15.8		-8.7 *	
Banking operations	24.5		20.0	
Holding	-14.6		-89.1 *	
Result before taxation and exceptional income and expenses		409.3		-160.3 *
Exceptional income and expenses		-		-27.5
Result before taxation		409.3		-187.8 *
Taxation		-98.2		91.8 *
Result after taxation		311.1		-96.0 *
Minority interests		-9.1		-8.0 *
Net result		302.0		-104.0 *
Shareholders' funds at year-end		2,648.9		2,243.7
Permanent staff at year-end (in FTEs)		6,459		6,514

Delta Lloyd Group key figures

* Ahead of the introduction of the International Financial Reporting Standards (IFRS), Delta Lloyd Group has changed its accounting policies. The figures for 2003 marked by an * have been restated; for explanatory notes see pages 31 and 32.

key figures by division

In millions of euros	Delta Lloyd Insurance	OHRA Insurance	ABN AMRO Insurance	Delta Lloyd Banking	Delta Lloyd Germany	Other	Total
KEY FIGURES FOR 2004 BY DIVISION							
Income	3,805.6	1,098.7	1,155.3	276.9	1,032.9	665.8	8,035.2
Result before taxation	287.3	64.3	35.2	19.4	6.2	-3.1	409.3
Shareholders' funds	2,115.6	302.8	227.1	332.6	123.7	-452.9	2,648.9
Total assets	20,362.5	3,190.3	4,822.7	4,750.5	5,900.8	1,703.3	40,729.6
Total liabilities	18,246.9	2,887.4	4,595.5	4,417.9	5,776.6	2,156.4	38,080.7
Permanent staff at year-end (in FTEs)	2,134	974	584	1,217	816	734	6,459
KEY FIGURES FOR 2003 BY DIVISION							
Income*	3,189.7	969.5	1,012.2	279.4	1,009.1	574.8	7,034.7
Result before taxation*	-191.4	34.5	26.4	11.6	14.5	-83.4	-187.8
Shareholders' funds	1,773.2	255.1	211.1	319.7	150.2	-465.6	2,243.7
Total assets	19,447.1	2,818.6	4,186.3	4,660.3	5,615.5	1,349.3	38,077.1
Total liabilities	17,673.9	2,563.5	3,975.2	4,340.6	5,465.3	1,814.9	35,883.4
Permanent staff at year-end (in FTEs)	2,141	901	528	1,218	863	863	6,514

* Ahead of the introduction of the International Financial Reporting Standards (IFRS), Delta Lloyd Group has changed its accounting policies. The figures for 2003 marked by an * have been restated; for explanatory notes see pages 31 and 32.

key figures by line of business

In millions of euros		2004		2003
LIFE BUSINESS				
- Gross premium income	3,647.6		3,152.5	
- Investment income	1,761.8		1,707.7	
Total income		5,409.4		4,860.2
Result before taxation		248.6		240.0 *
Shareholders' funds at year-end		2,159.4		1,967.8
Permanent staff at year-end (in FTEs)		1,886		1,927
GENERAL BUSINESS				
- Gross premium income	1,133.1		978.5	
- Investment income	111.3		93.5	
Total income		1,244.4		1,072.0
Result before taxation		135.0		92.3 *
Shareholders' funds at year-end		460.9		420.9
Permanent staff at year-end (in FTEs)		1,047		1,114
HEALTH BUSINESS				
- Gross premium income	834.3		850.7	
- Investment income	26.7		23.5	
Total income		861.0		874.2
Result before taxation		15.8		5.0 *
Shareholders' funds at year-end		225.1		220.2
Permanent staff at year-end (in FTEs)		599		600
BANKING				
- Interest income	232.8		244.0	
- Commission income	70.4		58.9	
- Other income	21.6		24.8	
Total income		324.8		327.7
Result before taxation		24.5		19.9
Shareholders' funds at year-end		381.9		363.3
Permanent staff at year-end (in FTEs)		1,327		1,310

* Figures as disclosed in the 2003 annual report, without restatement for changes in accounting policies; for explanatory notes see pages 31 and 32.

report of the Supervisory Board

Financial statements and profit appropriation
In accordance with the provisions of article 2:101 lid 3 BW, we have submitted the 2004 financial statements drawn up by the Executive Board to the General Meeting of Shareholders for adoption. Taking into account the unqualified audit opinion of PricewaterhouseCoopers Accountants N.V., which is included in this annual report, we recommend that the shareholders adopt the financial statements accordingly. In addition, we inform you that our Board, in accordance with article 35 of the Articles of Association, approves the decision of the Executive Board to add the reported profit of € 302 million to reserves and to pay a dividend of € 82.5 million from these reserves.

The year 2004
Despite subdued market conditions, Delta Lloyd Group can look back on a good year with excellent results. Virtually all business units contributed towards this improved performance. OHRA and Delta Lloyd General in particular deserve a mention here; both recorded their best year ever. The integration of the joint venture ABN AMRO Insurance is progressing very smoothly; there were hardly any teething problems and profitability exceeds expectations.

One important milestone in 2004 was the launch of the renewed 'The Future Secured' strategy. In the past years the strategic ambitions formulated in the 7-3-7 strategy were realised step by step. However, the current political and economic developments impacting on the insurance sector make it necessary to tighten the strategy up regularly. The renewed strategy basically represents a continuation of the course steered in the past years, albeit with adjustments appropriate to the changing market circumstances. The Supervisory Board devoted extensive attention to the renewed strategy and held several extra meetings for this purpose.

Important items on the agenda in 2004 included the Dutch corporate governance code (Tabaksblat Code) and the preparations for the introduction of the International Financial Reporting Standards (IFRS).

Supervisory Board meetings
The Supervisory Board held five scheduled meetings in 2004, including one meeting in Brussels. In addition, the Supervisory Board met several times to discuss the renewed 'The Future Secured' strategy and strategic developments. Regular agenda items at the scheduled meetings included the Group Plan 2005-2007, the Group's banking and insurance operations in Belgium and Germany, compliance, the Dutch government's plans, the Long Term Incentive Plan, the evolving reporting landscape for insurance companies (International Financial Reporting Standards, 'IFRS' and changes in accounting policies), the Tabaksblat Code as well as the quarterly reports, annual figures and reports of the Audit Committee and the Remuneration/ Nomination Committee. The reviews of the quarterly and annual figures were always attended by the members of the Executive Board, barring a few exceptions, and by auditors of PricewaterhouseCoopers.

Tripartite consultation
The annual tripartite consultation between the Supervisory Board, the Executive Board and the Central Works Council took place in November. The theme of this interactive afternoon was 'Chain Integration'. To support the discussion, participants played a business game on the subject.

Meetings of the Audit, Remuneration and Nomination Committees
The Audit Committee, the Remuneration Committee and the Nomination Committee are appointed by the Supervisory Board from among its members to perform specific Supervisory Board tasks. The Audit Committee, which supports the Supervisory Board's decision-making and advises the Supervisory Board within its specific area of responsibility, met five times last year, including one meeting in Brussels. The items reviewed included the reports of Group Finance & Control on the quarterly and annual figures, the audit strategy and audit findings, actuarial analyses and reporting, compliance and risk & control reporting, Property, the Dutch corporate governance code (Tabaksblat Code), the derivatives policy and the developments in the (financial) reporting of insurance companies (International Financial Reporting Standards, 'IFRS'). Alongside representatives of the Executive Board and the General Manager of Group Financial & Control, the General Managers of Group Audit & Consultancy and Group Actuarial & Risk Management as well as auditors from PricewaterhouseCoopers attended several meetings of the Audit Committee. The Remuneration Committee and the Nomination Committee met three times in 2004. Items discussed included the generic remuneration policy of Delta Lloyd Group, a Long Term Incentive Plan, changes in accounting policies and the Dutch corporate governance code (Tabaksblat Code).

Supervisory and Executive Board changes
The composition of the Supervisory Board and the Executive Board did not change in 2004.

Financial Calendar
Delta Lloyd Group follows the financial calendar of its shareholder Aviva and will therefore publish its results for the first six months of 2005 on 11 August 2005.

A final word
We are extremely grateful to the Executive Board, the staff members and the Works Councils, with whom we enjoyed a fruitful partnership, for their commitment and efforts in the past year.

Amsterdam, 24 February 2005

Supervisory Board
J.A.N. (Jacques) van Dijk, chairman
V.A.M. (Vincent) van der Burg, deputy chairman
C.P.J. (Peter) Appeldoorn
P.G. (Pamela) Boumeester
H.C. (Caspar) Broeksma
R. (Richard) Harvey
R.H.P.W. (René) Kottman
Ph.G. (Philip) Scott
M.H.M. (Marcel) Smits

report of the Executive Board

2004 – Building a secure future

Delta Lloyd Group had a successful year in every respect. In line with the objectives, the strategic market position was further reinforced in 2004. Virtually all business operations contributed towards this improved performance. In addition, customer satisfaction improved across the board.

In terms of new business, Delta Lloyd Group became market leader in new life and pension products in the Netherlands, posting 25% growth in these segments. Delta Lloyd, OHRA and ABN AMRO Insurance all contributed to this progress. New general insurance business also made strong headway, with income insurance products performing particularly well. In fact, Delta Lloyd General had its best year ever in terms of premium growth and results. The health operations are clearly on the road to recovery, and the Group's three brands – Delta Lloyd, OHRA and ABN AMRO Insurance – can look back on a buoyant year. OHRA, in particular, gave a sterling performance, with sales rising sharply and profits moving higher. The year 2004 was the best in its history. Delta Lloyd Insurance enjoyed stable growth. The second full financial year of the ABN AMRO Insurance joint venture convincingly demonstrated that bank distribution and insurance make a winning combination. The integration of the joint venture is proceeding smoothly, while there are hardly any teething problems. Profitability is already running ahead of expectations.

The other activities are also in excellent shape. Asset Management attracted substantial new assets, and investment income also increased strongly. Property managed to maintain its performance despite a depressed office market. The Banking Division sustained the upward trend of 2003, with profit figures continuing to climb. Germany is emerging from a difficult period, as well as a major reorganisation, and is showing clear signs of recovery. In Belgium the considerable investments made in insurance operations in recent years laid a solid basis for the future. The coming years are crucial to the realisation of our Belgian ambitions.

The performance of Delta Lloyd Group was particularly gratifying given that market conditions remained difficult in 2004. Interest rates were still at low levels and the stock exchange climate also failed to brighten. It can therefore be concluded that the improvement in the result was genuinely driven by operational improvements. In the past year the Group worked hard to reduce costs and improve margins. The commitment to sharpening the Group's commercial focus and boosting volumes is reflected in the results. The attention devoted in the past years to service enhancement, automation and chain integration is now paying off in performance terms. Delta Lloyd Group sees the human component as a key driver of the progress made. Here, too, we are reaping the rewards of our long-term policy: targeted attention for staff development and appraisal, combined with a well-considered recruitment and career progression policy, has served to create a highly motivated, productive and, above all, expert workforce.

A review of recent years reveals that the result of Delta Lloyd Group has not only grown overall, but that contributions are coming from a greater number of business units. This is clear testimony to the success of the strategy pursued by Delta Lloyd Group in the past years. The growth and scale increases achieved, along with the additional distribution power, have made Delta Lloyd Group a prominent player in the insurance market. The strategic emphasis on cost reductions and efficiency – by doing more with fewer people and maximising synergy within the Group through shared service centres – is visibly bearing fruit.

In September 2004, Delta Lloyd Group launched a renewed and tightened-up strategy named 'The Future Secured'. This strategy is essentially an extension of the line followed in recent years, with certain adjustments in response to changing market circumstances. Whilst incorporating new elements, such as greater emphasis on reputation and expertise, 'The Future Secured' remains as committed as ever to pursuing stronger distribution power, scale increases, improved efficiency and cost control. Remarkable progress has been made in the past years, but there is still sufficient scope for further improvement. Further volume growth, for instance, is essential. The challenge for the coming period is to keep a firm focus on entrepreneurship, cost control, efficiency, margin improvement and customer satisfaction.

Key results

Delta Lloyd Group ended the year 2004 with excellent results, posting a record result before taxation of € 409 million. This outstanding performance is a clear consequence of the cost reductions and margin improvements initiated in the past years. This constitutes a considerable improvement (+31%) on the 2003 result before taxation of € 311 million and a very sharp improvement on the restated 2003 result before taxation of € 160 million negative. This restatement is necessary because Delta Lloyd Group decided, ahead of the introduction of the new International Financial Reporting Standards (IFRS) from 1 January 2005, to recognise the adjustments arising from IFRS in relation to realised capital gains and losses on shares and property in its financial reports from 1 January 2004. This has major implications for the results for 2003 which have all been restated on the basis of the new standards. As a consequence, the results for the two years are difficult to compare. For this reason, only the published figures for 2003 have been used for comparative purposes in the Report of the Executive Board and the sections on the divisions. The differences are clarified in greater detail on pages 31 and 32 of this report.

The required restatement shows the extreme volatility of results under IFRS. Short-term investment effects have a direct impact on the annual result. As assets and liabilities of insurance companies will initially be presented differently under IFRS, it will be difficult for their various stakeholders to assess actual profitability and solidity in the coming years. Delta Lloyd Group intends to present fully IFRS-compliant figures from 2005 onwards.

The net result for 2004 amounted to € 302 million, significantly higher than the result of € 247 million for 2003. The quality of the profit also improved and is less dependent on investment income. In addition, while the Group traditionally derived the largest share of its profit from Delta Lloyd Life, almost half of the profit now comes from other business units thanks to the much-enhanced profitability of, notably, Delta Lloyd General, OHRA, ABN AMRO Insurance and the Banking Division.

2004 – Building a secure future

DELTA LLOYD NV

In millions of euros		2004		2003
- Gross premium income	5,615.0		4,981.7	
- Investment income	2,254.7		1,875.8	
- Other operations	165.5		177.2	
Total income		8,035.2		7,034.7
Result before taxation (before changes in accounting policies)		409.3		283.2
Impact of changes in accounting policies		-		-471.0
Result before taxation (after changes in accounting policies)		409.3		-187.8
Shareholders' funds at year-end		2,648.9		2,243.7
Permanent staff at year-end (in FTEs)		6,459		6,514

The ongoing improvement of the Group's distribution power is also reflected in the income figures. Total income advanced to € 8.0 billion in 2004, up 14% on 2003. All income components contributed to this increase. Gross premium income showed organic growth of 13% to € 5.6 billion (2003: € 5.0 billion), of which 78% (2003: 80%) originated from the Netherlands, while investment income grew by 23% to € 2.3 billion (2003: € 1.9 billion under IFRS) and income from other operations by -7% to € 166 million (2003: € 177 million).

Life not only showed a significant increase in gross premium income of 16% to € 3.7 billion (2003: € 3.2 billion), but also scored excellently in terms of new business as expressed in the NAPI (consisting of: 10% of new single premiums and 100% of new annual premiums). Looking at full-year 2004 the NAPI rose by 16% to € 322 million in the Netherlands, by 35% to € 81 million in Germany and by 54% to € 67 million in Belgium. Delta Lloyd Group was Dutch market leader in terms of new life business, with total gross premium income of € 2.5 billion (2003: € 2.2 billion). Gross life premium also made good progress in Germany, posting an increase to € 680 million (2003: € 621 million), and was markedly higher in Belgium, up 54% to € 475 million (2003: € 308 million).

The embedded value of the Group's total life business increased slightly in 2004, amounting to € 3.7 billion at year-end 2004 (up 4%), due to a combination of the positive impact of sharply higher new business (up to € 45.7 million from € 31.4 million in 2003) and the negative effect of lower interest rates for investments.

General Insurance generated substantial new business with new premiums rising 42% to € 158 million (2003: € 111 million), particularly as a result of ABN AMRO Insurance taking general insurance into its own books and the success of Health & Income and motor insurance. Total gross premium income of General Insurance increased by 15% to € 1.1 billion (2003: € 1.0 billion). Health posted new premiums of € 82 million in 2004, but owing to the unwinding of the underwriting portfolio the total gross premium income worked out fractionally lower at € 834 million (2003: € 839 million).

Delta Lloyd Asset Management attracted net new assets worth € 1.2 billion in 2004, a sharp increase of 61% compared to the € 0.7 billion in 2003. This was primarily attributable to a number of large institutional mandates and distribution via other financial institutions such as ABN AMRO Bank. Total assets under management increased by 14% to € 47 billion (2003: € 41 billion).

Delta Lloyd Banking generated net income of € 180 million, which was higher than in 2003 (€ 174 million). Banking is making a particularly strong mark in the mortgage field, with the total mortgage portfolio growing 17% to € 9.0 billion (2003: € 7.6 billion), of which € 8.1 billion in the Netherlands.

The result of the holding company also showed a sharp improvement, largely driven by higher realised capital gains at holding company level. In addition, the management fees earned by Asset Management moved higher. The holding company also witnessed two substantial tax developments: an adjustment to the tax rate led to an extra charge of € 71 million at group level, while the resolution of a number of disputes with the tax authorities produced extra income of € 52 million.

Looking at the result before taxation, € 194 million came from realised capital gains while operations generated € 215 million on balance. In this operational component, the improved focus on cost control and margins had a marked effect. In line with the target, the total Group costs remained stable at € 803 million (2003: € 799 million) while income increased. The number of full-time employees decreased by 1% to 6,459 (2003: 6,514). The Group's absenteeism rate improved strongly from 5.7% in 2003 to 4.5% in 2004.

The financial solidity developed well in 2004. Shareholders' funds increased 18% to € 2.6 billion (2003: € 2.2 billion). The solvency of the total insurance business also showed a slight improvement, ending the year 2004 at 231% (2003: 220%). The BIS-ratio of Delta Lloyd Banking was marginally lower at 12.8 (2003: 14.4), still well above the statutory minimum of 10.0. Delta Lloyd Life and Delta Lloyd General maintained their good Standard & Poor's ratings in 2004 at AA- with a stable outlook.

Outlook for 2005

In view of the uncertain impact of investments on results under the IFRS, Delta Lloyd Group refrains from making a profit forecast for 2005. Delta Lloyd Group has however set itself the task of achieving further efficiency improvements by keeping costs and staffing at the current levels. Even so, the cost level will increase next year by at least 10% in absolute terms due to the mandatory recognition of certain costs under IFRS and the (preparations for the) introduction of the basic healthcare system. The consolidation of the Delta Lloyd and OHRA health insurance funds under the basic healthcare system from 2006 is expected to result in a staff increase of over 5% in that year. A further rise in the gross premium income at all insurance units and a relatively stronger position of Delta Lloyd Group in the Dutch mortgage market are also foreseen.

A renewed strategy

For years, Delta Lloyd Group has been working consistently and purposefully on the implementation and reinforcement of its strategy. The long-term policy of the Group is primarily focused on realising strong growth, extensive distribution power, wide-ranging services, efficiency and cost control. These are the strategic pillars for ensuring that Delta Lloyd Group can fulfil its promise to stakeholders: to provide security through income protection, asset growth and risk cover.

Over the past years the Group has grown from a Dutch intermediary insurer into a strong, all-finance service provider that operates in the Netherlands, Germany and Belgium with three strong brands. It has expanded to offer a wide range of products and services through the distribution channel of the personal or business customer's own choice. To achieve this, the strategic course until 2004 was firmly focused on obtaining multiple distribution channels and pursuing expansion, mainly in pensions, life insurance and asset management, through both organic growth and targeted takeovers and acquisitions. In a step-by-step process these strategic ambitions were progressively attained. Key strategic milestones included the merger of Delta Lloyd with NUTS OHRA in 1999 and the joint venture with ABN AMRO Bank in 2003.

Thanks to its multi-channel and multi-label strategy Delta Lloyd Group has secured a strong position among the leading insurers in the Netherlands. In Germany and Belgium, too, the first successful steps have been made in promising markets. Political and economic events have an impact on the insurance sector, however, and regularly require adjustments to what is a fundamentally sound and solid strategy. Important current trends include ageing, reduced government intervention and the demand for transparency, particularly in the field of pricing, rates and conditions. The demand for advisory services is also becoming increasingly differentiated: customers want personalised advice on complex products, and increasingly prefer the convenience of (online) standard products for simpler needs. Scale and investments in the field of automation, internet and chain integration are necessary in order to benefit from this standardisation.

Against this background a renewed strategy named 'The Future Secured' was unveiled in mid-2004. Building on the existing strategic framework, the new strategy is designed to respond to our constantly changing world.

Scenarios for the future
The renewed 'The Future Secured' strategy looks ahead to about 2010, a horizon for which developments are reasonably predictable. Insurance is a long-term business, however, so it is also necessary to form a picture of what lies in store in the more distant future. During the reporting year the Group started running scenario analyses. This involves looking towards the future in a structured manner and mapping out the significance and consequences of future contingencies in relation to the core competences of the Group. In what context do we expect to be operating in 10, 15 or 25 years? And what are the implications of these assumptions? Delta Lloyd Group has developed two long-term scenarios and analysed their consequences for financial services. In the coming years the activities of Delta Lloyd Group will be regularly reviewed against these scenarios to enable us to anticipate the changing environment more accurately and to react promptly.

Objectives for the Netherlands
'The Future Secured' formulates a number of clear objectives for the coming years. The key strategies in the Netherlands are:

- Reinforcement of the three brands.
  Delta Lloyd Insurance is pursuing this by responding optimally to the intermediary's needs and providing state-of-the-art professional knowledge and expertise, combined with special attention to small and medium-sized enterprises (SMEs).
  ABN AMRO Insurance is working to strengthen the relationship with ABN AMRO Bank, to increase the number of ABN AMRO customers purchasing insurance at the bank from 15% to 30%, and to sharpen its focus on the business market.
  OHRA is seeking to improve accessibility and convenience through the internet, to deliver transparent products and integrated customer services, and to sharpen its focus on the business market.

- Cost synergies and increased efficiency through a gradual further increase and expansion of shared service centres. More employees will work at the shared service centres for multiple brands.

- A clear expansion of market share at Life, General Insurance and Health to 15% in 2010.

- The continuation of market leadership in new life business.

- Increased distribution power through organic growth or partnerships and acquisitions.

Objectives for Germany
As the largest market in Europe, comprising 83 million consumers, Germany offers vast growth potential. Delta Lloyd Germany is consequently a spearhead in the Group's strategy for the years ahead. The ambition is to increase the market share from 1% to 3-4%, particularly in life and pension products, mortgages and asset management. The next important steps in Germany are to increase scale and strengthen the distribution power. One specific avenue of

growth is to boost sales through banks; in this context partnerships and acquisition opportunities will be sought. In Germany, too, the plan is to concentrate production in shared service centres.

Objectives for Belgium

Delta Lloyd Life aims to bring about a strong improvement in profitability over the next four years, through intensified cooperation with Delta Lloyd Bank and a sharper focus on the intermediary channel. Life insurance in Belgium is part of the Group's core business as this country still offers an untapped growth market, notably for pensions. Delta Lloyd Group is seeking to secure a position in the top five with profitable life and pension products.

Objectives for other activities

Delta Lloyd Banking is and remains a vital component in enabling Delta Lloyd Group to live up to its status as full-service provider. The Group is aiming to become the leading mortgage lender among insurers in the Netherlands. One important ambition of Delta Lloyd Bank in Belgium is to strengthen its distribution capacity. Delta Lloyd Bank in Belgium is placing emphasis on further growth and seeking to increase the number of sales outlets by some 20%.

Delta Lloyd Asset Management aims to increase assets under management through, amongst other things, expansion of the distribution network. New investment products will increasingly be sold through other banks. This took place in the Netherlands for the first time in 2004, through ABN AMRO Bank. This concept of third-party distribution is still in its infancy but is already proving a great success. Other banks are sure to follow. A distribution agreement concluded with Rabobank is due to take effect in 2005.

Delta Lloyd Property will also remain essential to risk diversification in the investment portfolio: over the past 25 years 'investments in bricks and mortar' have yielded a better average performance than shares and fixed-income securities. This stability, based on a constant and indexed flow of rental income, means that the property component in the investment portfolios of pension funds and insurers is almost certain to increase in the future. In addition, the property market is characterised by a degree of scarcity which will certainly generate long-term value appreciation.

The aim for ENNIA Caribe is to improve profitability and efficiency, strengthen distribution through the bank channel, and secure a prominent position in life and general insurance. The Group is, however, aware of the limited size of the market as well as the difficult conditions prevailing.

2004 – Building a secure future

Summary of Delta Lloyd Group objectives

	INDICATOR	OBJECTIVE	PERFORMANCE IN 2004
Strategic objectives	Reinforce distribution power	Expand distribution through strong brands by focusing on volume growth, efficiency and profitability	- Volume growth (GWP) 13% - Efficiency (expense ratio) 11% - Profitability (ROE) 15%
	Market leader in life new business	Retain position	Position captured in the Netherlands
	Increase synergy & efficiency	Launch of shared service centres: General – 2006 Health – 2007 Life – 2008	Set-up of General Insurance Service Centre and Personal Injury Service Centre on schedule
Commercial objectives	NAPI Delta Lloyd Group	≥ € 700 million by 2008	€ 473 million + (22%)
	Market share (GWP) in the Netherlands	≥ 15% by 2010	10.5%
	Sufficient scale in Health in the Netherlands	Alliance of two million health policyholders by 2007	0.9 million policyholders
	Market share (GWP) in Germany	≥ 3% by 2010	1%
Financial objectives	COR General / Health	≤ 100%	95% / 101%
	Profitability after taxation (ROE)	≥ 13%	15%
	Group solvency (excl. Banking Division)	≥ 150% of statutory requirement	199%
	BIS-ratio of Banking Division	≥ 10	12.8
	Standard & Poor's rating for Delta Lloyd Life and Delta Lloyd General	AA by 2010	AA- stable outlook confirmed
Social objectives	Responsible social services	Annual CSR report in line with GRI guidelines	Preparations started for first report (2004)
	Diversity policy	Women in leadership positions in 2005: - Team leaders 35% - Managers 25% - Directors 15%	Women in leadership positions - Team leaders 30% - Managers 23% - Directors 11%
	Product analysis from perspective of core values	All units by 2007	Performed for OHRA
	Corporate governance reporting	Apply Tabaksblat Code	Preparations completed

Insurance market developments

The year 2004 was another unsettled year for the insurance sector. Apart from the low interest rates, the persistent stock market malaise and stagnating economy cast a cloud over the market; in addition, political decisions and the possible consequences for insurers caused a lot of unrest and uncertainty. Mapping out a long-term policy in such a climate is obviously far from easy.

On a brighter note, major opportunities and challenges are clearly coming to the fore. The government's reduced role in such areas as welfare, healthcare and (pre-retirement) pensions is creating new markets for insurers. The potential for growth is huge, particularly in the field of income insurance and provisions for the future.

The ongoing ageing of the population is putting pressure on the Dutch, German and Belgian pension systems, but also means that insurers can tap successfully into new demand for life insurance, pensions, savings and investment products. In the Netherlands, the lifetime scheme introduced by the government can generate substantial new business for insurers. This scheme responds to the needs of a more individualised society and, amongst other things, seeks to offer solutions for the work/care dilemma confronting employees nowadays.

Germany is facing radical reforms in the field of old-age provisions, including important tax changes under a new Act called the 'Alterseinkünftegesetz'. The Act essentially eliminates tax relief on personal pension provisions, while offering tax incentives for company pension plans.

In Belgium, too, employers can make tax-efficient contributions to employees' pensions under the Supplemental Pension Act (*Wet op Aanvullend Pensioen / WAP*), which was introduced last year. Another new Act (*Vrij Aanvullend Pensioen voor Zelfstandigen / VAPZ*) seeks to enable self-employed people to make additional pension provisions. All this shows that the Belgian government is tackling ageing by stimulating pension saving.

Another watershed event in the Netherlands concerns the new healthcare system which – after years of debate – will in all likelihood be introduced at the start of 2006. This will radically alter the healthcare landscape. The new system provides for a single basic insurance for everyone and eliminates the difference between private and public health insurance. Moreover, under the new system insurers are obliged to accept customers, except for supplementary cover. The ongoing integration of healthcare and social security is a particularly promising source of new business. The Dutch government is increasingly placing the responsibility for absenteeism and occupational disability on employers and employees. They, in turn, are looking to insurers to cover these risks. This too offers fertile ground for growth, notably in the field of combined health & income insurance packages.

From 2005, the Dutch market for group pension plans will receive a strong impulse from the statutory compliance with the International Financial Reporting Standards (IFRS) and the translation of these standards into the Dutch reporting guidelines. Until now, companies mainly recognised pension costs in their books on the basis of the contributions paid to the pension fund or pension insurer. Under the new rules, however, the costs of most pension plans will also be affected by the results realised within the pension plan (by the pension fund, for instance). This may cause volatility, and in some cases even beyond an acceptable level. So it seems safe to assume that in future many companies will opt to entrust the administration of their pension fund to an expert pension insurer, in order to eliminate external volatility impact.

In view of the political and social developments that dominate the insurance market, the coming period will undoubtedly offer Delta Lloyd Group many opportunities. For the Group's Dutch life insurance operations 2005 will be a year of sweeping reform, with the introduction of the lifetime scheme, as well as changes in the fields of early retirement, pre-retirement pensions and occupational disability. All this obviously calls for the development of new products, such as a lifetime scheme product. As formulated in 'The Future Secured', the ambition is to grow into the number one pension insurer of the Netherlands. Life will concentrate mainly on pensions and old age provisions, for both the individual pensions market and the group pensions market (large corporates and SMEs). The main drivers in the field of pension growth are specialised insurance advisers, the distribution network of ABN AMRO Bank, E-pensions at OHRA, sales through employers and possibly also targeted takeovers to achieve the necessary scale.

The Belgian life market is a distinct growth market. The welfare state is also on the retreat in Belgium and Delta Lloyd Life is well-equipped to meet the resulting demand for supplementary products. The division is even hopeful of winning a position among the market leaders with its flexible pension plan.

In Germany, the short-term commercial focus will be on securing and expanding employer- and employee-financed provisions. Consequently, Delta Lloyd Germany will primarily target the company pension plan segment. A dedicated unit will be set up, bundling all knowledge and expertise in this field. The prospects of capturing this market are good: the restructuring programme has reduced the cost ratio sharply and boosted competitiveness.

General Insurance can also capitalise on the trend towards smaller government: income protection & absenteeism is a growing market for commercial insurance providers. General Insurance, together with Health, is going to pursue this opportunity with vigour. Alongside the personal customer and large corporate markets, the SME sector is another focal segment for General Insurance. As formulated in 'The Future Secured', General Insurance is stepping up its efforts in this segment. The aim is to secure a top three position in the SME market through the continuing development of staff expertise, the implementation of more effective and efficient working methods, and an increasingly efficient separation of administrative and insurance tasks at the General Insurance Service Centre. The distribution network of ABN AMRO Insurance will play a central role in the focus on the SME sector.

Many simple general insurance products will be standardised in the next few years and thus made suitable for direct sales. In the longer term, this could act as a catalyst on the direct channel and strengthen the position of OHRA. To the intermediaries, this means that internet sales will become more important. Delta Lloyd Insurance is currently exploring the opportunities for this, together with intermediaries. ABN AMRO Insurance can also benefit from standardisation in selling insurance through the internet banking channel, for instance. But we must remember that competitive pricing is crucial with standard products and this, in turn, calls for operational efficiency. In the coming years, therefore, the General Insurance Service Centre will undergo further expansion.

The ambition that Delta Lloyd Group has set for Health in the Netherlands in 'The Future Secured' is to grow at an accelerated rate. Given the planned introduction of the basic healthcare system, there is a good chance of achieving this target. The enlarged scale, which is being pursued to reduce unit product costs, can be realised through such means as health procurement partnerships or mergers and acquisitions.

In the coming years cost-effective procurement and an attractive product offering will be key competitive weapons. With this in mind, Delta Lloyd and OHRA have joined forces to develop a common health strategy for joint purchasing and product development. And that makes sense. After all, apart from the mode of distribution, both parties sell the same product. The introduction of a single administrative system is an integral part of this united stance. The next step is a Shared Health Service Centre, to be completed in 2007 at the latest.

Focus on SME

One of the spearheads in the Netherlands for the coming years is a strong focus on small and medium-sized enterprises (SMEs), particularly at Delta Lloyd Insurance. But OHRA and ABN AMRO Insurance are also increasingly focusing on the (small) business market. This applies both to Life, General Insurance and Health. The SME sector is an extremely interesting target group for Delta Lloyd Group and offers the greatest growth potential at present. The Dutch SME sector currently comprises 685,000 companies, 65% of which arrange their insurance business through an intermediary. Every year 12% of that group comes into the market as potential new business. Moreover, smaller government has created a growth market in the fields of income protection and absenteeism, which are crucial issues for the SME sector. This is an advice-intensive market in which the Group is keen to project itself as a knowledge partner. Knowledge and expertise-building initiatives include conferences and workshops for the SME sector and internal training programmes.

Both Delta Lloyd Insurance and OHRA provide combined health & income packages, thus offering SME businesses a good proposition: an excellent health insurance product along with assistance in reducing absenteeism. Support concepts are also used, such as the 'Mutatienet' and a free quick scan to identify absenteeism weak spots. 'Mutatienet' is an application that enables employers to administer their own health and income insurance data. OHRA also offers business customers the possibility of entering employee data directly online.

ABN AMRO Insurance sees smaller government as an ideal opportunity for delivering comprehensive insurance solutions to SMEs in the areas of illness and occupational disability. Individual products are already being offered but in the coming year ABN AMRO Insurance also intends to market an integrated health & income insurance concept. Its general insurance package, called the Business Policy, has already been successfully marketed in the SME sector for a number of years.

Stronger distribution power

Distribution power is central to all strategic ambitions of Delta Lloyd Group. With its current three distribution channels – the intermediary, the direct channel and ABN AMRO Bank – the Group occupies a strong position in the market. However, further expansion of its distribution power is necessary to guarantee the Group's secure future, not only in the Netherlands but most definitely in Germany and Belgium as well.

In the Netherlands Delta Lloyd Group is investing heavily in support services (training programmes, for example) for independent intermediary organisations, particularly to help them meet the stricter requirements imposed by the Financial Services Act (*Wet Financiële Dienstverlening / Wfd*) in terms of expertise and administrative transparency.

In recent years Delta Lloyd Insurance has embarked on several major renewal processes, with a view to enhancing its distribution power. One example is the large-scale MultiFit Project at General Insurance Commercial, which is aimed at processing more business more efficiently. MultiFit separates a number of functions, such as technical insurance work and administration, and thus permits more focused staff training. This raises the level of expertise per function, thereby leading to a better acceptance policy and, hence, better results.

Crucial, too, is the ongoing development of chain integration, an area in which Delta Lloyd Group is clearly leading the competition thanks to years of investments. Chain integration makes a vital contribution towards customer satisfaction, because it enables the efficient handling of administrative tasks and reduces the workload for all parties involved. The highly advanced customer–intermediary–insurer chain makes use of Meeting Point, a virtual marketplace that Delta Lloyd has developed together with other insurers. At Meeting Point the intermediary is able to enter and edit all data concerning general insurance products and a number of life products.

Good internet applications are key to the success of a direct writer like OHRA, but they also enhance the quality of service of other distribution channels. The benefits include faster, controllable transactions, the convenience of direct electronic billing, the option of online purchasing, rapid access to information, the opportunity of making product comparisons, and the possibility of maintaining direct contacts with existing and prospective customers. Only recently, for instance, Delta Lloyd opened a Pension Online service for group pension plans. Employees can now check their own policy to see if anything is missing, such as an individual pension saving plan. Our consumer services go yet a step further, with customers now able to calculate their own health insurance premium on the Delta Lloyd site before buying the insurance through an intermediary or directly from Delta Lloyd via the intermediary's website. In 2004 ABN AMRO Insurance also made its first foray into internet retailing with a pilot involving one simple product category (general insurance). The initial results were highly promising and exceeded expectations.

A separate role in the distribution process is fulfilled by Lancyr, a franchise organisation set up by Delta Lloyd. In 2004 Lancyr grew rapidly into a chain comprising 65 intermediaries. The ambition is to expand into an organisation of some 200 independent intermediaries. The joint administration means that the intermediaries can concentrate on advisory services and sales. Shared Lancyr product lines have been specially developed for this purpose. An important role is also foreseen for the National Savings Fund (NSF) in the coming years. Originally a company with its own salaried staff and nationwide sales force, NSF now operates according to an entirely new business model for the different Delta Lloyd Group labels. The transformation of NSF into a sales channel active at the interface between advice-intensive and commodity products will be completed in the course of 2005.

Ongoing efficiency improvements

In 2004 structured efforts continued to improve the operating result, which is one of the key preconditions for realising healthy profitable growth. In previous years this led to heightened cost awareness and an efficiency drive throughout the Group. In addition to better results, this has also translated into a reduction in permanent staffing, the concentration of back office tasks in shared service centres, and the outsourcing of non-core activities. Staffing has fallen markedly over a three-year period, mainly as a result of natural wastage and outsourcing, and without any adverse effects on the performance of Delta Lloyd Group.

Optimising synergy among the various business units, through the joint development and implementation of functions in the insurance operations' shared service centres, is key to improving the operating result. The first centre to be brought into service was the General Insurance Service Centre of Delta Lloyd and OHRA. Operating as an independent entity, this shared service centre has taken over the administrative back-office processes of the personal general insurance business of Delta Lloyd and OHRA, and enables the efficient handling of the standardised processes. This not only enhances the quality of service but also reduces costs. ABN AMRO Insurance will also join the General Insurance Service Centre in the course of 2005. Meanwhile a Personal Injury Service Centre, an Absenteeism Management Centre and a shared organisation for staff and salary administration have been started up. Joint handling platforms are also foreseen for Health and Income & Absenteeism, to be completed by 2007.

One example of closer cooperation prompted by advancing IT platform technology is Alfa, a major new platform for Life where both individual and group 'unit linked' and 'universal life' products can be processed. Alfa is now up and running. Alongside the launch of new products, all the remaining portfolios of Delta Lloyd Life and the portfolios of ABN AMRO Insurance will be migrated in phases to Alfa, thus making Alfa a 'shared platform' within Delta Lloyd Group.

Cost control is also stimulated by an emphatic focus on the core activities by which Delta Lloyd Group can distinguish itself as a financial service provider. Non-core activities are outsourced wherever possible. This concerns activities in which other specialised players can deliver more added value, such as facility management or ICT infrastructure services. In 2004 Delta Lloyd Group concluded a seven-year contract with IBM for the outsourcing of all ICT infra-structure services. The outsourcing covers the data centres, all PC management activities and telecommunications. The current contracts with ICT partners are also being transferred to IBM. Apart from cost savings, the outsourcing guarantees continuity and innovative power. An extensive tender procedure preceded this choice. About 160 employees of Delta Lloyd Group have been transferred to IBM. In 2004 a five-year contract was also signed with GTI Klimaatkontrakt BV for the outsourcing of part of the Group's facility management services, namely building maintenance, building conversions, building management, relocations, energy management and grounds maintenance. As with IBM, the decision to select GTI was based on an extensive tender procedure. Alongside the envisaged cost savings, the outsourcing guarantees the continuity of facility management services. Twelve employees of Delta Lloyd Group have moved to GTI.

Delta Lloyd Group in society

Delta Lloyd Group has chosen to be a social and community-minded financial service provider that is keen to promote the well-being and prosperity of society at large. Corporate social responsibility (CSR) is therefore high on the agenda. Whilst the basic CSR principles have long been practiced in many different fields, Delta Lloyd Group is currently working hard on a formal, coherent and transparent policy in this area. In 2005 the first CSR report (on 2004) will be presented, together with the annual report, in order to account for the activities, results and progress in this area. This report is based on the Global Reporting Initiative (GRI) guidelines for sustainability reporting, and is aimed at raising CSR awareness within the Group. It also believes that publication is the best way of stimulating staff to make the required information transparent within the shortest possible term.

Delta Lloyd Group is convinced that social responsibility should form the basis for the thoughts and actions of the Group and its employees. The Delta Lloyd Group products, such as life & pension, general insurance, income, absenteeism and health, have high social relevance, which is precisely what makes it essential to conduct our operations based on a strong sense of responsibility.

In this light the Group is committed to offering solutions in areas where the government decides to reduce its role as social insurer. One example is the Health Division's waiting time reduction service. For instance, patients can be referred abroad for treatment or guaranteed treatment within two weeks or even – in emergencies – within a maximum of two days. Delta Lloyd was the first insurer to offer such guarantees. Another initiative is the inventory that is currently being made of the (qualitative) options in the healthcare sector to answer the question: where and from whom can the patient receive the best treatment? This is being done with the assistance of our shareholder Stichting Nuts Ohra. This foundation also plays an active role in the funding of good causes. Stichting Nuts Ohra holds an interest in Delta Lloyd as a result of the merger between Delta Lloyd and Nuts OHRA. The annual income generated from this interest is used to finance a variety of healthcare projects, including cancer research, a psycho-trauma centre for children and a special shopping service for the elderly.

The Group's commitment to social responsibility is also reflected in its donation and sponsoring policy. In this regard the Group increasingly focuses on social projects that are aligned with the basic aims of 'The Future Secured'. A case in point is the Rhythm & Blues project where young offenders are given a second chance to build a future under intensive guidance. Other examples are Sterrekind, Stichting Bio-Kinderrevalidatie, Valid Express and Simavi.

Dialogue with the stakeholders

The terms open, transparent communication, honesty and clarity are key to maintaining a good relationship between Delta Lloyd Group and its stakeholders. Delta Lloyd Group is therefore seeking to intensify the dialogue with its stakeholders. In the case of shareholders, employees and works councils, there are legal provisions in place. One clear instance of this dialogue within Delta Lloyd Group is the annual tripartite consultation between the Central Works Council, the Executive Board and the Supervisory Board.

Customer relations is another area where transparency is increasingly assured by legislation, regulations and codes of conduct. Arrangements such as the Financial Information Leaflet, the GIDI (Code of Conduct regarding the Provision of Information on Intermediary Services), the Insurers Code of Conduct and the Return and Risk Code protect the customer and make clear what financial service providers stand for. The latter is something to which Delta Lloyd Group attaches great importance. Delta Lloyd Group consequently welcomes the introduction of the Financial Services Act (*Wet Financiële Dienstverlening / Wfd*), despite the additional costs of compliance. The Wfd sets minimum requirements in terms of intermediary knowledge and training, independence of advice and duty of care. The overriding priority for Delta Lloyd Group is that customers perceive the Group as an accessible organisation that listens and is genuinely committed to their interests. Transparent communication about products and the importance of these products is therefore a primary requirement in the relationship between customers and the Group.

Openness and transparency are also pursued through publications for customers and intermediaries. In its Year Magazine, which was first issued in 2002, Delta Lloyd Group presents relevant background data annually. In the field of health and employee benefits an interactive discussion is conducted through the Employee Benefits Advisory Board, a forum where representatives of Delta Lloyd Group exchange views three times a year with national politicians, social partners and consumer and industry associations. The Group's corporate social responsibility policy, developed in 2004, was also presented to and discussed in this forum.

Alongside formal shareholder meetings, the relationship with the two shareholders consists of regular consultation between the Executive Board of Delta Lloyd Group and Aviva, and the Board of Stichting Nuts Ohra. The relationship with Aviva is underpinned by the fact that two Executive Directors of Aviva sit on Delta Lloyd Group's Supervisory Board, while intensive working contacts are maintained in many fields such as finance, HRM, communication, corporate social responsibility and investor relations. In addition, Delta Lloyd Group is consolidated in the Aviva accounts.

Trust
Trust is a key aspect of Corporate Social Responsibility (CSR). In fact, CSR is a condition for building trust. Delta Lloyd Group believes that insurance can basically be regarded as the purveyance of trust. As a financial service provider Delta Lloyd Group is duty-bound to secure the future of its policyholders: by acting with prudence and integrity and by opting for sustainable solutions, it will fully justify the customer's trust. This basic aim is also reflected in the five pillars of the renewed strategy. Delta Lloyd Group realises its ambitions through expertise, reputation, distribution power, efficiency and core values. These are the five pillars that enable us to live up to the customer's trust.

First and foremost Delta Lloyd Group must always strive to maintain and improve its solvency and thus guarantee the financial security of customers. But the Group's awareness of its responsibility as a financial service provider is also reflected in the core values defined in 2000. These values make clear what the Group stands for, give direction to Group policy and determine the corporate culture and identity, in both internal and external relations. Each and every aspect of Delta Lloyd Group's policy is tested against the core values, and any dilemmas that occur in this connection are openly discussed at every level. The core values are now deeply embedded in the organisation and are widely accepted by all employees. They now also form an integral part of the recruitment policy and the formal development and appraisal process of all individual employees.

Integrity in all fields, when it comes to customers, distribution partners, employees and society as a whole, constitutes a basic principle for Delta Lloyd Group, which therefore naturally endorses and applies all statutory and industry-specific codes of conduct. The complaints handling procedures laid down in the Financial Services Act also help safeguard the integrity of the business operations.

Post-balance sheet events
In mid-February 2005 an agreement in principle was reached with Aruba Bank concerning the transfer of the activities of OHRA Mortgage Bank on Aruba to Aruba Bank. Subject to local regulatory approval, the activities will be transferred with retroactive effect from 1 January 2005.

New reporting standards

IFRS
During the 2004 financial year Delta Lloyd Group prepared for the International Financial Reporting Standards (IFRS) applicable from 2005. Delta Lloyd Group consequently intends to comply with these rules in 2005. This new standard for preparing the annual accounts (obligatory for listed companies) is designed to enhance the transparency of business operations. Delta Lloyd Group agrees that uniform methods for computing results and assets are vital in making business performance more comparable and transparent. It should be noted, however, that in the specific case of insurers, the IFRS will not (yet) enhance transparency as assets and liabilities are presented in different ways. In this context the European Embedded Value (EEV) is essential for the Life operations. The EEV was developed by the CFO Forum, a group of Chief Financial Officers drawn from 19 major European insurance companies.

Changes in accounting policies
Ahead of the introduction of IFRS, Delta Lloyd Group decided to adjust its reporting with respect to realised gains and losses on shares and property with effect from 1 January 2004. Up to the end of the 2003 financial year the 'indirect return' method was applied, where realised and unrealised gains and losses on shares and property were included in the revaluation reserve and consequently also in shareholders' funds. A portion of these (historical) results was then posted to the profit and loss account. The method applied with effect from 2004 is based on 'realised capital gains', where realised results and significant changes in the value of shares and property are immediately recognised in the profit and loss account. As a consequence, strong market volatility may cause substantial fluctuations in the accounts, when shares and property are sold. This is in contrast with the indirect return method where the results were evenly spread over time. Incidentally, the altered method has no effect on the total equity position.

In conformity with the IFRS guidelines, impairment of assets (such as shares and property) must be applied as soon as there is any indication that an asset has lost value and the realisable value is structurally lower than the book value. This value impairment must be directly charged to the profit and loss account. For comparison purposes, the 2003 figures have been restated according to the new accounting policies. Due to the extremely weak stock market in 2003, impairment of part of the investment portfolio needed to be charged to the profit and loss account for 2003 (€ 244.2 million negative). In addition, the indirect return was eliminated from the restated figures for 2003 (€ 233 million negative) and realised capital gains were added (€ 6.2 million). The net after-tax result for the first-half of 2003 as restated for comparison purposes was € 471 million lower than on the basis of last year's accounting policies. It should be observed that the 2003 result was steered on the basis of indirect return rather than realised capital gains. This also prevents an accurate assessment of realised capital gains and losses with retroactive effect.

New reporting standards

In millions of euros

		2003 restated		2003 disclosed
NOTES TO CHANGES IN ACCOUNTING POLICIES				
Result before taxation (before changes in accounting policies)		283.2		283.2
Impact of changes in accounting policies				
- Realised capital gains and losses	6.2		-	
- Indirect return	-233.0		-	
- Impairment	-244.2		-	
		-471.0		-
Result before taxation (after changes in accounting policies)		-187.8		283.2
Net result		-104.0		246.6
OTHER INFORMATION				
Shareholders' funds at year-end		2,243.7		2,243.7

Embedded value

From 2005, the European Embedded Value (EEV) will be included in the reporting of Delta Lloyd Group. This replaces the embedded value (EV) reporting that was applied for years within Delta Lloyd Group and shown in the consolidation of Aviva. The CFO Forum, in which Europe's leading insurers are represented, recently published the European Embedded Value Principles. The EEV Principles have been developed to address criticism of existing embedded value reporting, and are aimed at improving the consistency, transparency and comparability of embedded value reports of European insurers. Embedded value reports prepared according to these principles should enable shareholders and analysts to estimate the fair value of insurers more accurately.

The embedded value indicates the value of an insurance portfolio or insurance institution. This value consists, on the one hand, of the available free assets and, on the other hand, of the tied-up assets and the insurance portfolio itself. The value of the insurance portfolio is determined by computing the present value of the future results to be generated by the insurance portfolio. This is done for in-force business but also – separately – for new business in a given year. The latter provides an excellent indication of the profitability of the value created in that year.

The embedded value therefore bears no relation to premium volumes, but is exclusively focused on the (future) profitability of new business in a certain year. This gives a purer and more reliable picture of long-term performance. In addition, the embedded value provides excellent insight into the various components of the annual result.

Corporate governance

Delta Lloyd Group defines corporate governance as the responsible and accountable management of the company. This subject receives a lot of attention from the Executive Board, Divisional Management, Supervisory Board and regulators.

Structure

As a company with statutory two-tier status Delta Lloyd Group has a corporate governance structure in which the most important powers rest with an independent Supervisory Board. The relationship between the Executive Board and the shareholders is close and constructive, with Delta Lloyd Group being clearly recognised as an important part of Aviva plc.

In the periodic meetings of the Supervisory Board's Audit Committee, various aspects of the business operations are reviewed in great detail. These meetings are attended by representatives of the Executive Board, internal and external auditors, Group Actuarial & Risk Management and Group Finance & Control. They report on such issues as audit planning and findings, risk management, fraud control, compliance and financial results.

The Executive Board carries ultimate responsibility for Delta Lloyd Group's internal control system and, particularly, strategy and long-term planning. It also takes all-important decisions in consultation with the responsible management of the company and, within the applicable statutory and regulatory framework, the central and local works councils. This takes place whenever necessary with the permission of, or after consultation with, the Supervisory Board.

The more tactical and operational planning (with a horizon of three years) and the realisation of the short-term business objectives are the primary responsibility of the management of the divisions and support units. The responsibility of the Executive Board is to give direction, based on an adopted control model, in formulating performance criteria and to approve business plans.

Capital and control

Delta Lloyd Group has two shareholders: London-based Aviva plc and Stichting Nuts Ohra of Amsterdam, the Netherlands. Aviva plc owns all ordinary shares and all preference B shares. Stichting Nuts Ohra owns all preference A shares. Aviva plc thus holds an interest of 92% in the total issued capital of Delta Lloyd while Stichting Nuts Ohra has an interest of 8%.

Developments

As a company with statutory two-tier status, the Group keeps close track of all developments that may affect its existing corporate governance structure. These developments include the debate surrounding the two-tier regime and possible consequences of supervisory regulations for financial conglomerates. Harmonisation with the corporate governance regimes of foreign subsidiaries and the UK shareholder Aviva plc is also an area of constant attention.

Adjustments are made as and when necessary in response to the evolving requirements of various supervisory authorities. Compliance rules regarding competition were recently agreed in close consultation with the Netherlands Competition

Authority (*Nederlandse Mededingingsautoriteit*) and the Dutch Association of Insurers (*Verbond van Verzekeraars*). Delta Lloyd Group has committed itself to implementing the rules group-wide in 2005.

Implementation of Tabaksblat Code

Though unlisted, Delta Lloyd Group is committed to complying insofar as possible with the recommendations of the Tabaksblat Committee. The Group believes that its stakeholders stand to benefit from the transparency required by the Code and will apply the principles of accountability as outlined in the Tabaksblat Code. Delta Lloyd Group will also follow the Committee's recommendations in its capacity as an institutional investor.

In 2004, Delta Lloyd Group embraced the Tabaksblat Code as a leading guideline. The corporate website www.deltalloydgroup.com was adapted in early 2005. The Supervisory Board has already acted in accordance with the recommendations of the Peters Committee (1997) and in the spirit of international committees such as Turnbull. Delta Lloyd has consequently opted to apply the best practice provisions of the Code on a voluntary basis. Provisions that are deemed irrelevant to the composition of its bodies and its organisational structure as an unlisted company are not applied, however. Therefore, Delta Lloyd does not apply the following best practice (BP) provisions of the Code concerning the relationship with shareholders: BP III.5.1 (publication of Terms of Reference of the Supervisory Board on website), BP IV.1.3 (disclosure of private bid), BP IV.3.1 through IV.3.4 (meetings with analysts and provision of information to analysts). In addition, Delta Lloyd has exclusively adopted those best practice provisions that are not in conflict with the existing relationship with its stakeholders. BP IV.1.4 and BP IV.1.5 (policy on additions to reserves and on dividends at the General Meetings of Shareholders) are not applicable because these have been arranged contractually with the shareholders.

The following best practice provisions of the Tabaksblat Code will not be applied in full:

- **BP II.1.1:** 'A management board member is appointed for a maximum period of four years. A member may be reappointed for a term of not more than four years at a time.'
  The current Executive Board members of Delta Lloyd Group have been appointed for an indefinite period. It has been decided that the contracts with the current members will be left intact. This item will be addressed at the next appointment of a new member to the Executive Board.

- **BP II.2.1-2.5:** 'Options to acquire shares are a conditional remuneration component, and become unconditional only when the management board members have fulfilled predetermined performance criteria after a period of at least three years from the grant date.'
  The content of best practice provision II.2.1 is not relevant as Delta Lloyd Group does not grant its Executive Board members options to acquire shares in the company. However, the granting of other variable remuneration components will remain conditional upon the realisation of

agreed (performance) criteria relative to a chosen peer group. Options on Aviva shares were last granted in 2003. Delta Lloyd does not grant share options itself but introduced a Long Term Incentive Plan, which is a Phantom Option Plan, in 2004. This plan contains a reward element that is based on the development of the embedded value. If the set performance criteria are achieved, the 'phantom options' will vest three years after being granted.

- **BP II.2.7:** 'The maximum remuneration in the event of dismissal is one year's salary... If the maximum of one year's salary would be manifestly unreasonable for a management board member who is dismissed during his first term of office, such board member shall be eligible for a severance pay not exceeding twice the annual salary.'
  Delta Lloyd Group subscribes to the principle that failure must not be rewarded but also believes that Executive Board members are entitled to severance pay in line with accepted legal and social practice.

- **BP III.2.1:** 'All supervisory board members, with the exception of not more than one person, shall be independent within the meaning of best practice provision III.2.2.'
  Subject to the approval of its shareholders and contrary to best practice provision III.2.1, the Supervisory Board of Delta Lloyd Group, if comprising seven or more members, will include two dependent members. Aviva plc holds 92% of the total shares, and is consequently entitled to nominate two Supervisory Board members. Regardless of their dependence, these two members are obliged to perform their task in the best interests of the company.

- **BP III.3.5:** 'A person may be appointed to the supervisory board for a maximum of three four-year terms.'
  The Supervisory Board of Delta Lloyd Group consists of nine members. They may be appointed to the Supervisory Board for a maximum of three four-year terms. Delta Lloyd Group has made an exception for Mr Van der Burg, who had sat on the Supervisory Board for a longer term before the introduction of the Code.

- **BP IV.1.2:** 'The voting right on financing preference shares shall be based on the fair value of the capital contribution. This shall in any event apply to the issue of financing preference shares.'
  Aviva plc owns all ordinary shares and all preference B shares. Stichting Nuts Ohra owns all preference A shares. Each ordinary share and each preference A share entitles to cast one vote. Contrary to IV.1.2, each preference B share entitles to cast fifty votes. Aviva plc holds 92% of the voting rights in the total issued capital of Delta Lloyd while Stichting Nuts Ohra controls 8% of the voting rights.

- **BP IV.3.7:** 'If a right of approval is granted to the general meeting of shareholders by law or under the articles of association of the company…, or the management board or the supervisory board requests a delegation of powers…, the management board and the supervisory board shall inform the general meeting of shareholders by means of a 'shareholders circular' of all facts and circumstances relevant to the approval, delegation or authorisation to be granted. The shareholders circular shall, in any event, be posted on the company's website.'

As Delta Lloyd has only two shareholders, the best practice provision IV.3.7 lacks relevance for the company insofar as the use and publication of shareholder circulars is concerned. The other elements of this best practice provision are applied.

- **BP IV.3.9:** 'The management board shall provide a survey of all existing or potential anti-takeover measures in the annual report and shall also indicate in what circumstances it is expected that these measures may be used.'
  The two shareholders of Delta Lloyd Group are fully informed of the existing and potential anti-takeover measures. Therefore, disclosure of these measures in the annual report has no added value.

- **Principe V.2:** '… The remuneration of the external auditor, and instructions to the external auditor to provide non-audit services, shall be approved by the supervisory board on the recommendation of the audit committee and after consultation with the management board.'
  Contrary to the provisions in principle V.2, an Audit Charter has been drawn up with the approval of the Audit Committee, stipulating in which cases and under which conditions the external auditor may be commissioned to provide permitted non-audit services. The Charter also includes an obligation to report to the Audit Committee in the case of engagements with a substantial contract value. Delta Lloyd Group wishes to maintain the current practice as laid down in the Audit Charter.

Risk management

Risk management comprises the identification, analysis, monitoring and control of risks that could prevent the achievement of the company's objectives and results. Risk control is a vital core competence for Delta Lloyd Group. Delta Lloyd thus assures that its obligations to customers can continue to be met in the longer term. Good risk management is not only important to customers but also to other stakeholders, such as shareholders, employees, intermediaries, business partners and supervisors.

In Delta Lloyd Group's risk policy the Executive Board has laid down the framework for a transparent and consistent risk control system within Delta Lloyd Group. The philosophy is:

1. that the Executive Board, Divisional Management and management are responsible for the effective identification, analysis, monitoring and control of risks;
2. that a good risk control system reduces the probability of errors, faulty decision-making and unforeseen circumstances;
3. that taking responsible risks is essential to a healthy enterprise. The aim is therefore to identify, analyse, monitor and control risks as well as possible, with the Executive Board carrying the ultimate responsibility for determining the maximum acceptable risk levels.

Risk management policy

Delta Lloyd Group has drawn up an identical risk management policy framework for all operations. This clearly and unambiguously establishes what the objectives are and who is responsible for their achievement. It also lays down the method to be used for assessing and reporting on the risks and the implemented controls. Within this approach the business objectives are subdivided into three main groups: strategic business objectives, financial business objectives and operational business objectives. Fixed risk categories (21 in total) have been identified for each group of business objectives. The implementation of an identical risk framework for all operations provides a sound basis for comprehensive and consistent risk management throughout Delta Lloyd Group.

Based on the Dutch Central Bank's Regulation on Organisation and Control, the Banking Division is required to apply a different risk classification tailored specifically to the banking industry.

All units update their risk profile at least once every three months. The management of each unit performs these updates on the basis of self-assessment, with a specific focus on the inherent risks and effectiveness of existing controls. The assessment leads to an estimation of the impact and probability of the residual risks. A key part of the assessment is to establish whether additional controls are necessary and feasible in order to reduce the residual risks to within the accepted risk level as set by management.

The uniformity of the risk management method enables the Executive Board quarterly to assess the most important risks at Group level and to determine the risk profile for Delta Lloyd Group as a whole. The resulting risk profile is subsequently discussed in the Audit Committee of Delta Lloyd Group's Supervisory Board and communicated to Aviva plc, supervisors and external auditors. The risk profiles of the divisions are determined by the division management and discussed in the audit committees or the Supervisory Boards of the divisions in question.

Risk management review
Various supervisors have set out framework guidelines in the area of internal control. These guidelines promote the completeness and quality of the risk control system. The supervisors also perform their own audits to verify the adequacy of the risk control in place at the Delta Lloyd Group business units under their supervision. In addition, the external auditor also provides assurances on the adequacy of the internal risk control.

Risk profile for Delta Lloyd Group at year-end 2004, statement of the Executive Board
The Executive Board is of the opinion that the risks inherent to the business operations of Delta Lloyd Group and the implemented controls are assessed in a structured and sound manner. Not a single residual risk falls into the 'not acceptable' category. Some residual risks are inherently volatile and consequently demand constant management attention; others require the risk profile be improved. In the latter cases, relevant measures are in progress. The main risks to which Delta Lloyd Group is exposed and major risk management developments are outlined below.
On the basis of the activities described in this risk section, we can state with reasonable assurance that, to the best of our knowledge, the internal risk management and control system of Delta Lloyd Group was effective in the 2004 financial year.

Important changes in 2004 and beyond
There is an unmistakeable trend in the international guidelines for financial services (Basel II and Solvency II) towards making solvency requirements more dependent on the quality of the company's risk management and its exposure to certain types of risk. To comply with this Risk-Based Capital method, it is necessary to quantify risk exposure.

Delta Lloyd Group has anticipated the consequences of the changed risk management requirements resulting from international guidelines by introducing a new approach: Internal Capital Assessment (ICA). The ICA method permits the further quantification of financial risks, using stochastic actuarial models. This is a Solvency-at-Risk approach where the company's existing capital is compared with the capital required to be solvent in one year's time with a 99.5% confidence level. In the near future, the supervisor will assess the models and indicate whether these meet the supervisory requirements.

The Asset & Liability Management (ALM) applications, which are designed to assess the risks and returns of the investment portfolio and obligations portfolio, were also expanded and improved.

Notes to important risks in 2004
The following nine risks have been identified, with the first four risks mentioned having the greatest impact on Delta Lloyd Group's solvency position:

1. Interest rates (market risk)
Interest rate movements have the strongest impact on the

solvency position due to the mismatch between the assets and liabilities of, primarily, life insurance companies. From an economic point of view, both assets and liabilities respond to interest rate movements. Liabilities generally have longer maturities than assets. Profit sharing and guarantees, however, also influence the interest rate sensitivity of the assets and liabilities. Profit sharing has an impact opposite to that of guarantees. To obtain an accurate picture of the interest rate risks, all effects on solvency are determined simultaneously in the ICA and ALM models. These analyses are used to set the investment policy, including the hedging of the duration mismatch and an adequate risk provisioning policy. The quality of the monitoring process underwent marked improvement in 2004.

2. Shares (market risk)
ALM studies are performed under different assumptions to establish the risks to which share and property returns are exposed. The investment mix is tailored to the required risk profile. Based on the results of the ALM study, Asset Management draws up an investment mandate for all operations and customers.

3. Credit risk (market risk)
The biggest credit risk to which Delta Lloyd Group is exposed is that related to corporate bonds and sold mortgages. Delta Lloyd Group maintains a diversified fixed-income investment portfolio that is matched with the insurance obligations. Creditworthiness is monitored and the investment mandates specify in further detail the permitted debtor ratings for corporate bonds. The fixed-income investments are mainly denominated in euros and are therefore not exposed to currency risk.

4. Acceptance risk (insurance risk)
Insurance risks stem from the possibility that premiums will not be sufficient to meet future payment obligations. The premium agreed in the past for life insurance is based on the life expectancy at the time of accepting the insurance. People can now expect to live longer than when the premium was calculated. While that is extremely good news for the customer, it is a financial disadvantage for the insurer who must make substantially higher provisions for insurance obligations without receiving any premium in return. This risk is also called longevity risk. The provisions for insurance obligations are set prudently. An additional provision is maintained to cover the longevity risk in relation to life insurance business.

In addition to the aforementioned risks, the following risks demanded special attention in 2004:

5. Compliance
The proliferation of laws, guidelines and codes of conduct continued in 2004 and compliance was more intensively supervised in certain areas. Delta Lloyd Group is committed to corporate social responsibility as the best way of guaranteeing customers and the company a secure future, both in the near and longer term. Rules and regulations are naturally adhered to. Notwithstanding this fundamentally positive attitude, complying with all rules and regulations is not always easy. Implementation can be costly and complex, while the letter of the law is sometimes hard to reconcile

with practical constraints. This annual report is not the place to deal at length with all developments. Alongside the preparations for the introduction of the new International Financial Reporting Standards (IFRS) and the Tabaksblat Code, which are separately discussed elsewhere in this report, we refer to the new Financial Services Act and the competition code of conduct. To cope with the increased volume of regulations, more compliance officers have been appointed, and compliance auditing has been intensified.

6. Product development

Product renewal and development are imperative in order to respond to the opportunities and challenges of smaller government and tax reforms. Though anticipating changing markets is inherent to good entrepreneurship, the scale and impact of the current changes have given rise to a heightened risk that demands extra attention. The principal developments are discussed elsewhere in this annual report.

7. IT Continuity

The most important change in 2004 concerned the outsourcing of the ICT infrastructure services to IBM. In addition to a substantial cost reduction, the outsourcing will also give Delta Lloyd Group the benefit of a renewed infrastructure in the course of 2005. The contract with IBM has been tested against the outsourcing requirements imposed by the supervisors. Full arrangements have been made in the area of governance. The implementation will extend into 2005. The residual risk mainly consists of the operational risk during transition projects. In 2004, a great deal of attention was devoted to the drafting of business continuity plans. These provide a full and detailed description of how business continuity is guaranteed should a major calamity occur. The fall-back facilities were expanded on the grounds of these plans in 2005.

8. Outsourcing

As part of Delta Lloyd Group's sourcing and outsourcing policy, it is increasingly important that managers and directors who carry ultimate responsibility maintain a good grip on internally or externally outsourced services. Contracts, service level agreements, control information and control tools provide crucial support to those carrying that responsibility. Apart from the outsourcing of facility management and ICT infrastructure services, other developments in this field in 2004 included the creation of shared service centres. The absence of direct control over activities calls for a different approach to governance. Controls are in place in the form of structures and permanent steering groups at senior management level for example. At central level, Group Legal, Group Audit & Consultancy and Group Procurement are responsible for contract fulfilment and control.

9. Product profitability

A competitive cost base is essential in order to achieve profitability. Delta Lloyd Group is working on this by obtaining progressively better insight into the structures (activity-based costing) and by carrying out additional cost reduction programmes, sometimes involving complete process redesigns. At the operational units, product teams are reviewing the product range and market positions. Their action plans are focused on improving product margins. Marketing is taking steps aimed at retaining good customers.

Human resources

To attain its ambitions, highly qualified and motivated staff are essential to Delta Lloyd Group. The Group therefore seeks to offer an inspiring working environment where employees enjoy every opportunity to grow and advance their career. The aim is to create an entrepreneurial work climate that stimulates employees to respond quickly and competently to developments in the market, present new ideas, take responsibility and be actively and visibly involved. The management plays a crucial role in this respect, by setting the right example and pursuing a culture of inspirational leadership.

Developments in 2004

Expertise

The renewed 'The Future Secured' strategy defines staff expertise as one of the pillars on which Delta Lloyd Group is building its future. The insurance market is a knowledge-intensive market, and knowledge is therefore one of the key areas where insurers are able to distinguish themselves from the competition. Delta Lloyd Group is consequently committed to constantly expanding its in-house knowledge. One initiative in this connection is the four-year management traineeship available to talented young graduates at Delta Lloyd Group, with the prospect of a subsequent appointment to a management position. This programme not only supports the recruitment of young talent but also accelerates their development. In addition, the Group has various programmes aimed at grooming in-house talent to a position as team leader or manager. Other initiatives are the Professional Development Program, which specialists can attend to enhance their effectiveness and advisory skills, and the Course Shop where staff can get fast and complete answers to all their questions about the available training opportunities.

Diversity

Delta Lloyd Group acknowledges the importance of diversity. A more diverse staff composition means that the Group can rely on a more resourceful team that is able to address and solve problems from different perspectives and offer customers the sense of recognition and knowledge they're looking for. While the diversity policy was formerly aimed mainly at facilitating the progress of more women into senior management positions, the focus was widened over the past year in order to promote equal opportunities for employees from ethnic groups and to retain older employees. The policy encompasses all layers of the organisation. In 2004, for instance, a pilot was started with a view to raising awareness among male employees that they too can combine career and child care.

Group CAO

In August 2004, Delta Lloyd Group and the trade unions FNV Bondgenoten, De Unie and CNV Dienstenbond reached agreement on a new CAO (Collective Labour Agreement) for the over 5,000 employees of Delta Lloyd Group in the Netherlands. The CAO is applicable retroactively from 1 June 2004 and is valid for a twelve-month term. Under the new CAO, all staff are eligible for a one-off payment of 1.25% of the annual salary in October 2004 and a pay rise of 1.35% from 1 February 2005. Half of this increase is to be paid into the employee's pension, which means that Delta Lloyd Group

Human resources

has now introduced contributory pensions for all employees. New employees have already been paying the maximum pension contribution of 6⅔% since 1 September 2004.

Absenteeism

Increased attention to absenteeism management at Delta Lloyd Group has had a marked impact. The absenteeism rate was relatively high (2003: 5.7%), but dropped to the market average level of 4.5% by year-end 2004. The continuation of the current Health & Safety Policy is expected to result in a further decline of the absenteeism rate in 2005.

PERMANENT STAFF AT YEAR-END (IN FTEs)

	2004	2003
Delta Lloyd Insurance	2,134	2,141
OHRA Insurance	974	901
ABN AMRO Insurance	584	528
Delta Lloyd Banking	1,217	1,218
Delta Lloyd Germany	816	863
Delta Lloyd Group and other	269	399
Delta Lloyd Life Belgium	305	294
ENNIA Caribe	160	170
	6,459	6,514

In 2004, the total number of Group staff fell fractionally to 6,459 FTEs. This reduction was slightly smaller than planned, partly due to the opening of sixteen new sales outlets at Delta Lloyd Bank in Belgium and consolidation effects in Belgium and Germany. The increase at OHRA is entirely due to the attribution of General Insurance Service Centre staff to OHRA. As planned, 140 FTEs migrated from Delta Lloyd Group to IBM in May 2004.

Sponsoring and donations: investing in society

In 2004, Delta Lloyd Group spent a total of € 1.9 million on sponsoring and donations. Some of Delta Lloyd Group's principal sponsoring projects and donations are reviewed below.

Sterrekind

Stichting Sterrekind is a foundation dedicated to the wellbeing of children in long-term care. For this special group Sterrekind has developed 'Star World', an exciting virtual world where these children can do many things their illness prevents them from doing in real life: play, learn and communicate through text and images with family, friends and other children who are ill. The ultimate aim is to enhance the quality of life of these children. To this end, Sterrekind has set up a network with numerous healthcare institutions. Delta Lloyd sponsors one thousand subscriptions.

Culture in Amsterdam

Amsterdam is the home base of Delta Lloyd Group, which consequently supports various cultural and social organisations in the Amsterdam area, including Artis Zoo, Carré Theatre, the Stedelijk Museum (modern art), the Amsterdam Historical Museum, the Maritime Museum and the Netherlands Philharmonic Orchestra.

Valid Express

The Valid Express courier service exclusively employs chronically ill and disabled people. By supporting and using the services of Valid Express, Delta Lloyd Group promotes equal opportunities for and the financial independence of the physically challenged.

Simavi

With the assistance of Delta Lloyd Group, the development aid organisation Simavi was able to carry out water projects in India and other countries. Simavi mainly concentrates on installing water supply systems and sanitary facilities, reducing the incidence of blindness, organising basic medical facilities and providing local medical education.

Rhythm & Blues

The Social Reintegration & Guidance Project known as Rhythm & Blues was set up by the police in Amsterdam West. The project aims to give young offenders a second chance under police supervision. Delta Lloyd Group has been the principal sponsor of this project since 2002. The sponsorship agreement is for a three-year period.

Boat trips for the chronically ill

Every year Delta Lloyd Health organises two trips for its chronically ill and insured persons with disabilities: a pilgrimage by train or plane to Lourdes and a boat trip on the Red Cross Cruise Ship J. Henry Dunant. It also organises an annual boat trip on the hospital ship Willem Alexander for young people with a serious physical or mental handicap. The trips are financed from the RVVZ (Former Voluntary Health Insurance Funds Reserves) of Delta Lloyd and OHRA.

Young Entrepreneurs (formerly Micro Businesses)

The Young Entrepreneurs Foundation enables students at intermediate and higher vocational levels to form a management team and run their own business. The aim is to bridge the gap between entrepreneurship in theory and

Sponsoring and donations: investing in society

practice. Delta Lloyd is one of the sponsors and also supplies mentors (Delta Lloyd managers) for a number of teams. In addition, Delta Lloyd managers carry out practical assignments for the Young Entrepreneurs Foundation as part of their own personal development plan.

Water Sports Association
Since 2003 Delta Lloyd has been the official partner of the KNWV (Royal Netherlands Water Sports Association). Delta Lloyd and the Water Sports Association regularly take joint initiatives aimed at introducing their customers and associates to their mutual organisations. In addition, the KNWV also supported the Dutch national yachting team in its preparations for the Olympic Games in Athens in 2004.

Flemish Tennis Association
In 2003 Delta Lloyd Bank Belgium and Delta Lloyd Life Belgium extended their highly successful partnership with the Flemish Tennis Association for another nine years. This partnership forms the basis of an extensive tennis-themed communication project and makes Delta Lloyd Group the leading tennis sponsor in Belgium.

Bozar
Bozar is a major Centre of Fine Arts in Brussels, Belgium. Delta Lloyd Bank has entered into a permanent partnership with Bozar, aimed at supporting concerts and reaching a public that identifies with the values of the bank.

Notinseln
In Germany Delta Lloyd Group is helping to improve the safety of schoolchildren by establishing 'Notinseln' – road-crossing points on school routes – in towns where Delta Lloyd has a presence through insurance intermediaries.

Division – Delta Lloyd Insurance

Delta Lloyd Insurance is the Group's largest division. Its core activities are life, general and health insurance in the Netherlands. Lancyr, a franchise-based administration and marketing formula for insurance intermediaries, also forms part of this division. One key characteristic of Delta Lloyd is the exclusive co-operation with independent and professional insurance advisers. Individual freedom and flexibility are the principles underlying all product innovation. Delta Lloyd can thus meet the challenges inherent to our rapidly evolving society and the ever-changing needs of both business and personal customers.

DELTA LLOYD INSURANCE

In millions of euros		2004		2003*
- Gross premium income	2,515.9		2,337.2	
- Investment income	1,289.7		1,142.0	
Total income		3,805.6		3,479.2
Result before taxation		287.3		243.7
Shareholders' funds at year-end		2,115.6		1,773.2
Permanent staff at year-end (in FTEs)		2,134		2,141

* Figures as disclosed in the 2003 annual report, without restatement for changes in accounting policies; for explanatory notes see pages 31 and 32.

The gross premium income of Delta Lloyd Insurance showed marked growth to over € 2.5 billion. The result before taxation increased 18% from € 244 million in 2003 to € 287 million. The rise in gross premium income was achieved mainly thanks to a marked improvement in gross Life premium income, which climbed 17% to € 1.5 billion. The Life result advanced to € 209 million. The gross General Insurance premium income edged up fractionally to € 699 million, with profitability accelerating a considerable 44% to € 66 million (2003: € 46 million).

Health was the only unit of Delta Lloyd Insurance that saw premium income contract. This was due to the unwinding of the underwriting portfolio, which pushed income almost 13% lower. Against this, the Health business managed to reverse the loss for 2003 into a profit of € 2.5 million for 2004.

Delta Lloyd Insurance was confronted with a subdued stock market climate and low interest rates in 2004. This was a year of strong dynamics in the insurance market, partly as a result of new statutory frameworks and changing perceptions at government level. The controversy surrounding pensions, early retirement and pre-retirement pensions, the changes in the occupational disability scheme (WAO) and the planned changes to the basic healthcare system as well as the lifetime scheme opened up new opportunities and prospects. In addition, regulations were tightened in the area of transparency and supervision (as laid down in the Financial Services Act, for example). This development places greater demands on the professionalism of intermediaries.

For Delta Lloyd Insurance the renewed 'The Future Secured' strategy entails a stronger focus on the SME sector and, in the area of pensions, on the large corporate market. The SME sector is a particularly advice-intensive target group, which calls for greater expertise on the part of intermediaries. In the light of this, a communication policy has been developed that is also aimed at the intermediary. Thanks to a well-balanced range of training programmes, Delta Lloyd Insurance is able to provide intermediaries with the support they need in this regard.

Delta Lloyd Life

The life and pension business achieved a good overall performance in 2004. Delta Lloyd's group pension business won several large contracts. Individual Life reported successful single-premium policy sales. The operating result also advanced strongly and further improvements are being pursued. To this end, efforts are being undertaken to enhance product profitability through higher volumes, a sharper focus on cost savings and the launch of shared service centres.

By 1 June 2004, Delta Lloyd had adjusted all its pension plans in line with the new Witteveen legislation. Another important change concerned the introduction of gender-neutral rates. The developments surrounding early retirement, pre-retirement pensions and the lifetime scheme naturally also had a strong impact on the business operations. In addition, Life works on a separate proposition for pension funds, which will be in line with the changing reporting standards in this field. At process level, a new organisational model was introduced in order to separate Front Office and Operations. This has considerably enhanced customer data processing efficiency. Internally, major steps forwards were made with the development of the Alfa IT platform. The periodic satisfaction survey performed by an independent agency among intermediaries cooperating with Delta Lloyd Life showed a considerable improvement in performance.

Despite a stable market, Life premiums showed significant volume growth. This was driven by sales volume, market share and new business. Profitability also improved. The same applied to the solvency ratio, which worked out at 268%.

In the coming year Life aims to further sharpen its focus on pensions and old age provisions, partly through the launch of products offering even better transparency and duty of care than required by law. The market for life products is expected to remain in flux for the time being, thus continuing to present both threats and opportunities. Ultimately, however, Life will benefit from the trend towards smaller government: people are increasingly aware that they themselves must make more provisions for their old age.

DELTA LLOYD LIFE

In millions of euros		2004		2003*
- Gross premium income	1,460.6		1,253.1	
- Investment income	1,203.0		1,038.7	
Total income		2,663.6		2,291.8
Result before taxation		209.2		202.0
Shareholders' funds at year-end		1,675.6		1,484.4
Permanent staff at year-end (in FTEs)		502		511
Analysis of gross premium income:				
Individual policies	512.0		444.2	
Group policies	948.6		808.9	
Total gross premium income		1,460.6		1,253.1

* Figures as disclosed in the 2003 annual report, without restatement for changes in accounting policies; for explanatory notes see pages 31 and 32.

Division – Delta Lloyd Insurance

Delta Lloyd General

Delta Lloyd General had its best year ever, in terms of both premium growth and results. The motor product, in particular, made an important contribution to the success of General Insurance. Apart from achieving good results, Delta Lloyd General is also scoring well on service and, as a corollary, customer satisfaction among both intermediaries and end customers. This is largely thanks to the fact that the personal products of the Group's two large general insurance operations (Delta Lloyd and OHRA) are now handled in a shared General Insurance Service Centre. Though the systems have not yet been fully integrated, the claims handling procedures are already much more efficient and customer-friendly.

One key factor in the success of Delta Lloyd General is the focus on expertise initiated several years ago. As a result, the acceptance policy has not so much become stricter but more transparent, with a direct positive impact on the general insurance ratios and hence profitability. This is also translating into better results in the commercial market.

In the coming years Delta Lloyd Insurance will seek to secure a position in the top three in the SME market. A new packaged proposition based on standard commodity products is being developed for this target group. The SME market is served through a large group of intermediaries having a need for specific product knowledge. Delta Lloyd Insurance can capitalise on this by positioning itself as a centre of expertise. A special SME desk will be set up in order to provide the intermediary with optimal support and make the organisation more accessible.

Apart from the SME sector, Delta Lloyd Insurance will also aim for a structurally profitable position in the personal market. The growing income insurance market is a major spearhead for Delta Lloyd Insurance. Social security developments are closely monitored to permit a rapid and adequate response (in conjunction with Health) to new market opportunities.

DELTA LLOYD GENERAL

In millions of euros		2004		2003*
- Gross premium income	699.0		686.2	
- Investment income	63.3		77.9	
Total income		762.3		764.1
Result before taxation		65.5		45.6
Shareholders' funds at year-end		281.6		258.5
Permanent staff at year-end (in FTEs)		543		630

* Figures as disclosed in the 2003 annual report, without restatement for changes in accounting policies; for explanatory notes see pages 31 and 32.

Division – Delta Lloyd Insurance

Delta Lloyd Health

The premium volume of Delta Lloyd Health declined following the deliberate unwinding of a large part of the underwriting portfolio. This reduction led, as expected, to an improved result.

In 2004 the foundations were laid for the basic healthcare system due to be introduced from 1 January 2006. This will eliminate the distinction between private and public health insurance. The new Health Insurance Act assigns health insurers a more prominent role in the field of health care governance. The shift towards increasing market forces in the health system is another social trend with major implications for Delta Lloyd.

In the past year Health pursued a three-pronged strategy: focus on the SME sector, an attractive health cost proposition for medium-sized companies and the launch of the new internet product. This strategy is supported by a number of digital tools that came on stream in 2004: the healthcare/absenteeism quotation tool (for intermediaries issuing quotes to SMEs) and 'Mutatienet' (an application that enables employers to do their own health and income administration).

These initiatives were instrumental in enabling Health to achieve some noteworthy results. The healthcare/absenteeism quotation tool, for instance, has enjoyed an excellent take-up rate among intermediaries, and the individual internet product has also been well received in the market. Moreover, 'Mutatienet' has proved to be a commercial success story.

The major challenge for 2005 is to be ready for the new basic healthcare system on time. Other ambitions are creating further synergy with OHRA Health, realising further cost reductions and developing healthcare procurement partnerships.

DELTA LLOYD HEALTH

In millions of euros		2004		2003*
- Gross premium income	347.5		397.9	
- Investment income	16.1		19.1	
Total income		363.6		417.0
Result before taxation		2.5		-5.7
Shareholders' funds at year-end		118.4		117.6
Permanent staff at year-end (in FTEs)		322		318

* Figures as disclosed in the 2003 annual report, without restatement for changes in accounting policies; for explanatory notes see pages 31 and 32.

Division – OHRA Insurance

OHRA originated as a direct writer and forms the direct writing division of Delta Lloyd Group. The division consists of OHRA Life, OHRA General, OHRA Health & Income and the National Savings Fund (with its own sales force). OHRA's key strength lies in responding to the demand among consumers and companies for fast service, both in terms of acceptance and access to online services. Most types of insurance and financial services can be purchased directly 24 hours a day, by mail and telephone or via the internet (www.ohra.nl).

OHRA INSURANCE

In millions of euros		2004		2003*
- Gross premium income	938.3		819.0	
- Investment income	160.4		165.3	
Total income		1,098.7		984.3
Result before taxation		64.3		49.1
Shareholders' funds at year-end		302.8		255.1
Permanent staff at year-end (in FTEs)		974		901

* Figures as disclosed in the 2003 annual report, without restatement for changes in accounting policies; for explanatory notes see pages 31 and 32.

The gross premium income of OHRA showed a significant improvement, up 15% to € 938 million. All sectors posted gains in excess of 10% but Life emerged as the strongest performer with 22% growth. Profitability strengthened, benefiting from tight cost control, and rose a robust 31% higher relative to 2003 to € 64 million. General Insurance reported particularly sharp profit growth, partly thanks to a good claims ratio. Health & Income also reported a commendable improvement in the result before taxation to over € 13 million.

OHRA Insurance and the National Savings Fund can look back on their best year ever, not only in financial but also in commercial terms. The new marketing campaign, for instance, helped increase the name recognition of OHRA to 28% (23% in 2003). To maintain this momentum in the years ahead, in 2004 OHRA adopted a renewed strategy called 'Building on success'. In the coming year OHRA will focus on providing even better online access and convenience, delivering transparent products and integrated customer handling, and pursuing a stronger presence in the commercial market.

Division – OHRA Insurance

OHRA Life

In 2004 OHRA Life achieved a marked volume increase in life business, even though it was again confronted with flagging interest in the savings and annuity market, a trend that is visible across the entire sector. The market for immediate annuities experienced further strong growth, however, and OHRA was able to take advantage of this thanks to competitive pricing and fast service. The pensions market also continued to grow steadily, so that maintaining a good position in this market remains as important as ever.

Life is substantially reinforcing and expanding its position in the pensions market with its Internet Pension product. Based on this product, OHRA secured several contracts from major customers in 2004. These successes helped OHRA Life achieve sales in excess of € 300 million for the first time in its history. A final system conversion also took place at OHRA Life in 2004, thus reducing the number of processing systems from six to two.

In 2005 OHRA Life will focus on realising extra sales power by developing and expanding its Internet Pension portfolio, enlarging its presence in the savings and lifetime market and improving its position in the market for immediate annuities.

OHRA LIFE & PENSIOENS

In millions of euros		2004		2003*
- Gross premium income	343.4		280.9	
- Investment income	147.6		147.7	
Total income		491.0		428.6
Result before taxation		17.0		23.3
Shareholders' funds at year-end		178.0		171.2
Permanent staff at year-end (in FTEs)		308		293

* Figures as disclosed in the 2003 annual report, without restatement for changes in accounting policies; for explanatory notes see pages 31 and 32.

Division – OHRA Insurance

OHRA General

In 2004 OHRA General enjoyed a highly successful year both in terms of sales and results. Thanks to an excellent premium/claims ratio and a further reduction in direct costs, General Insurance posted its highest result ever.

The application of effective acceptance criteria enabled General Insurance to offer competitive premiums in a market characterised by growing transparency. As a consequence, OHRA General ranks high in the various comparative sites that are playing an ever more important role in the sale of personal (general) insurance. In the home insurance market it is vital to be in the right place at the right time: products must be offered just as people are preparing to rent or buy a house. OHRA is still not sufficiently present at these key purchasing moments, so there is potential for progress in this area. OHRA General continued to strengthen its sales power, one contributory factor being the better commercial utilisation of service calls: 33% of direct acceptances now come straight from these service calls.

In 2005 OHRA General will focus on further sales growth, partly by making use of cross-selling opportunities within OHRA and expanding group contracts. Several campaigns will be aimed at capitalising on customer satisfaction and reinforcing distribution power.

OHRA GENERAL

In millions of euros		2004		2003*
- Gross premium income	108.1		97.0	
- Investment income	4.6		4.7	
Total income		112.7		101.7
Result before taxation		36.1		24.2
Shareholders' funds at year-end		68.9		51.2
Permanent staff at year-end (in FTEs)		219		125

* Figures as disclosed in the 2003 annual report, without restatement for changes in accounting policies; for explanatory notes see pages 31 and 32.

Division – OHRA Insurance

OHRA Health & Income
Alongside numerous commercial activities, 2004 was dominated by preparations for the introduction of two fundamental system changes in January 2006: the new basic healthcare system and changes in the social security system. To meet these challenges OHRA Health & Income has drawn up a Master Plan comprising all project activities and resources.

Supported by a successful marketing campaign, Health & Income achieved excellent results in 2004. For the first time a combined campaign was conducted for both the OHRA Health Costs Product and the OHRA Public Health Insurance Product. Partly as a result of this, the health portfolio achieved substantial growth for the first time in years.

Following discontinuation of the statutory disability insurance for the self-employed (*Wet Arbeidsongeschiktheid voor Zelfstandigen / WAZ*), Health & Income achieved excellent results with its 'AOV Zelfstandigen' product, which guarantees the lowest premium in this market. In the autumn a range of combined health and income products was launched. Health & Income has greatly intensified its cooperation with Delta Lloyd Health in the field of product development to take full advantage of synergy benefits.
A further increase in the number of claims delivered automatically by health providers permitted a reduction in the number of temporary workers.

In 2005 the commercial focus will be on new product launches in anticipation of the forthcoming system changes in the field of health and income.

OHRA HEALTH AND INCOME

In millions of euros		2004		2003*
- Gross premium income	486.8		441.2	
- Investment income	11.5		19.2	
Total income		498.3		460.4
Result before taxation		13.3		10.1
Shareholders' funds at year-end		106.7		101.5
Permanent staff at year-end (in FTEs)		278		281

* Figures as disclosed in the 2003 annual report, without restatement for changes in accounting policies; for explanatory notes see pages 31 and 32.

Division – OHRA Insurance

National Savings Fund

The result of the National Savings Fund (NSF) improved in 2004 relative to 2003, with premium income almost unchanged. This development is expected to gather momentum in the coming years, thanks to a realignment of operations. In this connection, several non-core activities including NSF insurance and mortgage lending were wound down in 2004.

In addition, the reorganisation initiated previously was completed. This involved the consolidation of the insurance operations, consisting mainly of savings fund and funeral activities. Further growth is being sought in the role as intermediary, where both efficiency and quality have improved markedly. The NSF has also been given more room for this within the renewed Delta Lloyd Group strategy. Clear efforts are being undertaken to identify new commercial opportunities for providing tailored advice to personal customers and employees. This is taking place at OHRA ('the OHRA Adviser'), Delta Lloyd (advisory capacity for intermediaries) and ABN AMRO Insurance (notably communication and advice to employees on pensions). The specialised 'advisory capacity' of the NSF is thus being made available to all parts of the Group.

Division – ABN AMRO Insurance

ABN AMRO Insurance has been a part of Delta Lloyd Group since the beginning of 2003. The joint venture is an integral part of Delta Lloyd Group's chosen strategy to serve customers through three distribution channels: the independent intermediary, the direct channel and the bank distribution channel. ABN AMRO Insurance combines the best of two worlds: the channels and customers of ABN AMRO Bank and the insurance expertise of Delta Lloyd. ABN AMRO Insurance is a young, ambitious insurer that delivers top-quality products to customers of ABN AMRO Bank. The service is fast and reliable, offering simple products where possible and tailor-made products where necessary.

ABN AMRO INSURANCE

In millions of euros		2004		2003*
- Gross premium income				
- Life	645.9		636.8	
- General	295.4		171.8	
Total gross premium income	941.3		808.6	
- Investment income	214.0		203.6	
Total income		1,155.3		1,012.2
Result before taxation		35.2		26.8
Shareholders' funds at year-end		227.1		211.1
Permanent staff at year-end (in FTEs)		584		528

* Figures as disclosed in the 2003 annual report, without restatement for changes in accounting policies; for explanatory notes see pages 31 and 32.

At € 941 million, gross premium income of ABN AMRO Insurance was significantly higher than in 2003. The sharp increase of 72% at General Insurance was particularly impressive, bringing the total gross General Insurance premium income to € 295 million. General Insurance now accounts for almost one third of the total premium income of ABN AMRO Insurance. The result before taxation also made good progress in 2004, rising considerably to € 35 million.

In 2004, total gross premium income of ABN AMRO Insurance increased by 16% relative to 2003. The rise was partly due to the fact that the risk-bearing responsibility for business risks in respect of the general insurance underwriting portfolio was transferred to ABN AMRO Insurance from 1 January 2004. The operating result improved considerably, rising 44% to € 39.8 million at year-end. The operating result of Life more than doubled compared to 2003, due to cost reductions and an improved technical insurance margin. General Insurance posted a considerably higher result owing to the favourable development in the cost of claims and expenses.

Customers are demanding transparency in terms of costs and pricing. To maintain a competitive pricing proposition, ABN AMRO Insurance must pursue further efficiency improvements and cost controls in the years ahead.

In the coming year Life will concentrate mainly on product standardisation and harmonisation, combined packaging with banking products and the intensified application of direct writing technologies (the internet). The general and health insurance operations are also creating product packages,

Division – ABN AMRO Insurance

bundling insurance and banking services. By strengthening the relationship with the bank, the number of ABN AMRO customers purchasing insurance at the bank should increase from 15% to 30%. After the successful start of internet retailing, the target is to generate 20% more sales through this channel in 2005.

The key items on the management agenda for 2005 are rapid organic growth, top products and high-quality service, expert and dedicated staff and financial performance. To realise these aims, ABN AMRO Insurance will concentrate on product bundling, improvement of sales support processes, better customer service and appropriate staff training. All these factors combined are expected to lead to higher sales in all segments, lower costs and enhanced financial performance.

Division – Delta Lloyd Asset Management and Delta Lloyd Property

Delta Lloyd Asset Management is Delta Lloyd Group's investment specialist, handling investments for the Group's own insurance operations and for third parties. Activities performed on behalf of third parties focus on asset management services for institutional (pension) customers and management of the Delta Lloyd Group mutual funds.

Delta Lloyd Property invests in property on behalf of the Group's operating companies to secure adequate cover for long-term insurance obligations. The portfolio contains direct and indirect property investments. Delta Lloyd Property itself is responsible for managing the portfolio. The direct portfolio comprises residential premises, offices and shops, while the indirect portfolio consists of participating interests in unlisted Dutch property funds in such areas as residential and retail investments.

DELTA LLOYD ASSET MANAGEMENT

In millions of euros		2004		2003*
Investment income		2,101.5		2,074.8
Assets under management at year-end		45,065.5		39,128.8
- The Netherlands	38,287.4		32,887.7	
- Other countries	6,778.1		6,241.1	
Permanent staff at year-end (in FTEs)		74		76
Net new assets		579		669

DELTA LLOYD PROPERTY

In millions of euros		2004		2003*
Income		153.2		135.4
Assets under management at year-end		1,897.2		1,915.3
- The Netherlands	1,492.3		1,500.2	
- Other countries	404.9		415.1	
Permanent staff at year-end (in FTEs)		32		32

* Figures as disclosed in the 2003 annual report, without restatement for changes in accounting policies; for explanatory notes see pages 31 and 32.

The assets under management of Asset Management were up 15% to € 45.1 billion (2003: € 39.1 billion), while the value of the property portfolio remained virtually flat at €1.9 billion. Total assets under management thus came to € 47 billion (+14%). Investment income was slightly higher at € 2.3 billion (2003: € 2.2 billion). The inflow of new money into mutual funds and in the form of mandates surged by 61% to € 1.2 billion.

Delta Lloyd Asset Management

Delta Lloyd Asset Management posted several impressive results in the past year. Substantial net new assets were attracted, while investment income also advanced. This was achieved despite the challenging economic environment, the persistently low interest rates and the still sluggish stock market. The fixed-income funds ended the year in positive territory in line with the benchmark. The performance of a number of equity funds was good, but not all the funds matched the benchmark. One outstanding performer in 2004 was the Delta Deelnemeningen Fonds. With a return of 32.2% it comfortably outperformed the benchmark. In terms of three-year return, the Triodos mutual funds managed by Delta Lloyd Asset Management are in the top five in their reference group.

In 2004, an active mix of marketing and media initiatives substantially raised public awareness and recognition of the Delta Lloyd and OHRA funds as well as Delta Lloyd Asset Management.

In 2005 Delta Lloyd Asset Management aims to further increase assets under management, mainly through new product development and the expansion of the distribution network for Delta Lloyd investment products. The successful sales through ABN AMRO branches are a case in point. In 2004, an agreement was concluded with Rabobank for the sale of Delta Lloyd investment products through this bank.

The external environment is placing ever-increasing demands on the quality of products and organisation. Key developments are the further professionalisation of the asset management sector (both among customers and competitors) and the increased additional services surrounding the (mainly institutional) asset management products. In 2005, too, attention will be devoted to a further improvement in the quality and service we deliver.

Delta Lloyd Property

The property market was characterised by varying circumstances. Positive factors were the upbeat residential rental market, particularly in the low and middle segments, and government incentives to stimulate residential construction. The weak office market, characterised by a supply glut and high vacancy rate, had a negative impact. Both institutional and retail investors displayed a keen interest in property throughout 2004.

Good sales results were realised through the successful sale of a number of housing complexes. In addition, the portfolio underwent a positive revaluation. The vacancy rate in the residential and retail portfolio remained low, while the vacancy rate in the office portfolio was stable thanks to good rental transactions.

In the coming planning period Delta Lloyd Property will focus on the further revitalisation of the residential portfolio by effecting sales from the existing portfolio and purchasing and developing new investment rental housing. Other spearheads are a reduction of the risk profile of the office portfolio and selective expansion of the retail portfolio.
A study will explore new ways of expanding the property

investment opportunities for Delta Lloyd Group and third parties. In 2005 Delta Lloyd Property aims to optimise returns, acquire at least 200 investment rental homes and increase customer satisfaction.

Division – Delta Lloyd Banking

Delta Lloyd Banking incorporates all banking and mortgage activities of Delta Lloyd Group in the Benelux countries. The Banking Division operates through Delta Lloyd Bank Belgium (relationship bank for personal customers, the self-employed and managing directors/majority shareholders), Bank Nagelmackers 1747 (dedicated to high net worth individuals, fund investors and institutional investors), Delta Lloyd Securities (stockbroking firm) and OHRA Bank and Delta Lloyd Bank in the Netherlands. Operating under the Delta Lloyd Bank brand, savings, mortgage, loan and investment products are offered to personal customers through independent intermediaries and in Belgium through 150 Delta Lloyd branches. OHRA Bank serves customers directly with flexible banking products.

DELTA LLOYD BANKING

In millions of euros		2004		2003*
- Interest income	204.8		211.5	
- Commission income	54.6		49.1	
- Other income	17.5		18.8	
Total income		276.9		279.4
Result before taxation		19.4		11.6
Shareholders' funds at year-end		332.6		319.7
Permanent staff at year-end (in FTEs)		1,217		1,218
Mortgage origination		2,310.0		1,882.1
Mortgage servicing portfolio (Netherlands)		8,954.0		6,923.4

* Figures as disclosed in the 2003 annual report, without restatement for changes in accounting policies; for explanatory notes see pages 31 and 32.

On balance the Banking Division's turnover remained almost flat at € 277 million (2003: € 279 million). Thanks mainly to good cost control, the result before taxation soared to over € 19 million (+67%) and the operating result to € 25 million (+65%). Mortgages reported particularly strong growth of 29%, bringing the total mortgage portfolio to over € 8 billion at year-end 2004.

The Banking Division of Delta Lloyd Group contended with difficult market conditions in 2004. Chief among these were the unfavourable interest rate structure and the embattled stock market. Another influential factor was the renewed regulations in the Netherlands and Belgium in the fields of supervision and transparency. Internally, the Banking Division advanced further towards the introduction of the Globus banking system. The new 'The Future Secured' strategy created a sharper focus on the distribution power in Belgium, whilst defining the most important objective as becoming the leading mortgage-lending insurer.

The 2004 financial year was characterised by a good commercial performance and substantial cost cutting, leading to a sharply higher result. This was partly attributable to the strong expansion of the mortgage business both in the Netherlands and in Belgium, growth in private banking and institutional asset management in Belgium, and an increase in consumer credit sales in the Netherlands. In Belgium, major successes were achieved with the Safe products (guarantee funds). Important product renewals included the launch of

Division – Delta Lloyd Banking

several new mortgage products and open architecture mutual funds. In addition, private banking was repositioned in the Netherlands.

In 2005, the Banking Division intends to further reinforce the distribution network in Belgium. Delta Lloyd's own branch network will be expanded, and the cooperation with Delta Lloyd Life will be intensified. In the first quarter of 2005 e-banking applications will be launched for intermediaries in the Netherlands. In addition, the rollout of Globus will be set in motion in Belgium.

Growth, both in customer numbers and in volume terms, is high on the agenda for 2005. This is to be achieved on the strength of a market-driven philosophy, commercial campaigns and new products. Commercialisation of new (sub)markets will be pursued through cooperation with intermediaries or other market players. In the Netherlands, the Banking Division is aspiring towards strong growth in consumer credit.

In the area of mortgages, the Banking Division aims to double its market share within three years. To fund the rapidly growing mortgage portfolio, Delta Lloyd Group issues special Residential Mortgage Backed Securities. Three tranches totalling € 2.5 billion were issued in 2004. Thanks to the high quality of the underlying portfolio, extremely attractive financing rates were negotiated.

Division – Delta Lloyd Germany

Delta Lloyd Germany, headquartered in Wiesbaden, provides insurance, asset growth and management and lending services to both personal and business customers. The division includes, among others, the insurance companies Berlinische Lebensversicherung and Hamburger Lebensversicherung, Gries & Heissel Bankiers, Delta Lloyd Investment Managers and Delta Lloyd Finanzpartner.

DELTA LLOYD GERMANY

In millions of euros		2004		2003*
- Gross premium income	680.3		620.7	
- Investment income	327.5		367.1	
- Interest income	5.5		5.2	
- Commission income	15.7		9.6	
- Other income	3.9		6.5	
Total income		1,032.9		1,009.1
Result before taxation		6.2		14.5
Shareholders' funds at year-end		123.7		150.2
Permanent staff at year-end (in FTEs)		816		863

* Figures as disclosed in the 2003 annual report, without restatement for changes in accounting policies; for explanatory notes see pages 31 and 32.

Gross premium income in Germany increased 10% to € 680 million, notably thanks to new recurring annuities and the success of 'Kapitalisierungsgeschäft'.

The German economy is going through a difficult recovery period. The government deficit has yet to meet European criteria, unemployment remains high, and consumers are uncertain and reluctant to spend. In response to these conditions, Delta Lloyd Germany embarked on a major efficiency-oriented restructuring programme (Effizienz verschafft Erfolg / EvE) in 2003. This programme was successfully completed in 2004, having achieved cost reductions of € 17 million per year and staff cuts in excess of 200 employees. Furthermore, targeted measures implemented as part of the EvE operation served to improve the efficiency and effectiveness of the organisation and the product suite was renewed.

Tax relief on certain types of life insurance was abolished in Germany effective from 2005. This gave an impulse to the sales of savings-based insurance products in 2004, thus boosting the NAPI to € 81 million, over 34% higher than in 2003. Partly thanks to this success and strong mortgage sales growth, Delta Lloyd Germany managed to end the year in positive territory, despite extra costs as a result of the introduction of new mortality tables.

The elimination of tax relief is expected to depress sales of traditional savings-based insurance products in 2005. This will be absorbed by increased sales of individual and, above all, group pension products. In addition, robust growth in mortgage and investment product sales will be pursued. The traditionally insurance-focused intermediary will need assistance in switching over to a broader suite of financial products. For 2005, Delta Lloyd Germany is targeting

Division – Delta Lloyd Germany

mortgage sales of € 500 million and investment product sales of € 70 million.

In the coming years Delta Lloyd Germany will continue to deepen its penetration into the group pensions market whilst pursuing further scale increases through takeovers and partnerships, particularly in the field of banking distribution.

Division – Delta Lloyd Life Belgium

Delta Lloyd Life Belgium is headquartered in Brussels and is active in both the banking, intermediary and direct writing channels. The division primarily targets the markets for asset growth products and classic life insurance. Several years ago it also started providing pension products in the form of group insurance (second pillar) and has meanwhile built up an attractive product range in this field.

DELTA LLOYD LIFE BELGIUM

In millions of euros		2004		2003*
- Gross premium income	475.2		307.8	
- Investment income	62.8		38.0	
Total income		538.0		345.8
Result before taxation		-31.5		-22.0
Shareholders' funds at year-end		14.6		-2.5
Permanent staff at year-end (in FTEs)		305		294

* Figures as disclosed in the 2003 annual report, without restatement for changes in accounting policies; for explanatory notes see pages 31 and 32.

Delta Lloyd Life in Belgium again showed an impressive rise in gross premium income, up 54% to € 475 million in 2004. As is customary with new Life operations, start-up losses are still being incurred here. These increased to € 32 million negative (-43%) in 2004.

The Belgian life insurance market remains a growth market, both for personal insurance and group pension provisions. The debate on the affordability of the Belgian pension system is at the top of the political agenda. This opens up good prospects for personal insurance providers in the Belgian market.
In mid-2004 a strategic review was carried out, which resulted in a stronger distribution and product focus. In addition, preparations were made for a restructuring in 2005 aimed at further professionalisation of the organisation and optimisation of customer services.
Alongside its existing range of products, Delta Lloyd Life Belgium is continuing to work steadily on the development of innovative insurance solutions. Bearing testimony to this is the Delta Lloyd Safe Selection product, the first structured 'Tak 23' product in the Belgian market that combines the advantages of multi-management, active management and asset diversification. Delta Lloyd Asset Management (Netherlands) and Bank Nagelmackers (Belgium) funded this successful product, thus convincingly illustrating the synergetic potential within the Delta Lloyd Group.

In 2004 Delta Lloyd Life Belgium devoted special attention to training and providing information to intermediaries. Initiatives in this regard included the Delta Lloyd Academy, the distribution of electronic and printed newsletters, the creation of a portal site that enables premium calculations via the internet, and the launch of an extranet for the top segment of intermediaries.

The outcomes of the strategic review performed in 2004 were used to develop a future scenario based on lower but more

Division – Delta Lloyd Life Belgium

profitable growth (13%, which is well above the expected market average of 10%) and a phased reduction of costs. This reflects Delta Lloyd Life Belgium's decision to focus on quality rather than quantity. The new strategic plans are to be implemented in 2005. In this connection the organisation will undergo a transformation aimed at achieving more efficient business processes and a more responsive and opportunity-focused approach to the market. Delta Lloyd Life Belgium is expected to become profitable in 2007.

Division – ENNIA Caribe

ENNIA Caribe is the leading full-service insurer in the Netherlands Antilles and Aruba. The operations for which ENNIA Caribe Holding is responsible include ENNIA Caribe Life, ENNIA Caribe General Insurance, ENNIA Caribe Health and OHRA Mortgage Bank (Aruba). ENNIA Caribe is an intermediary company that focuses primarily on life, pensions and financial services, supplemented with profitable classes of general insurance. ENNIA Caribe is the biggest local insurance group with branches on Curaçao, Aruba, Bonaire and St. Martin.

ENNIA CARIBE

In millions of euros		2004		2003*
- Gross premium income				
- Life	33.5		54.7	
- General and Health	30.5		35.3	
Total gross premium income	64.0		90.0	
- Investment income	15.6		17.0	
- Interest income	3.4		4.4	
- Commission income	0.1		0.1	
Total income		83.1		111.5
Result before taxation		5.9		7.2
Shareholders' funds at year-end		29.4		28.7
Permanent staff at year-end (in FTEs)		160		170

* Figures as disclosed in the 2003 annual report, without restatement for changes in accounting policies; for explanatory notes see pages 31 and 32.

The gross premium income of ENNIA dropped sharply to € 64 million, due to both the weak Antillean and Aruban economies and the 16% depreciation of the Antillean guilder relative to the euro. This was also reflected in the result before taxation, which dropped 18% to € 6 million.

In the past year a lot of effort went into reinforcing the foundations of ENNIA. Systems and processes were further improved and refined. The debtor balances were significantly reduced thanks to the use of control measures. Though this entailed a strong focus on the internal organisation, ENNIA also managed to consolidate its leading position on the sales side, despite the stagnating economy on the Netherlands Antilles (Curaçao).

The recent introduction of the LAB (National Insurance Brokerage Bylaw), which sets out clear requirements regarding the intermediary's professionalism and financial reliability, will bring about a major shake-up in the intermediary sector on the Netherlands Antilles. Though ENNIA will continue operating as an intermediary insurer, it is anticipating a reduction in the intermediary base. In 2005, ENNIA will seek to forge even closer ties with its intermediaries by introducing 'web enabling': a form of chain integration where ENNIA gives selected intermediaries partial access to its IT platform. Web enabling will make numerous processes much more efficient, both for the intermediary and for ENNIA.

The year 2005 is to be marked by implementation for ENNIA. Solid foundations are now in place, offering every

Division – ENNIA Caribe

opportunity to operate even more efficiently and effectively, with an even sharper business edge. ENNIA sees stronger distribution power as the key to growth and, to this end, is eyeing more structural partnerships with banks and pension funds, alongside the existing distribution channels.

Delta Lloyd Group 2004 highlights

JANUARY 2004

Xerox pension funds opt for Delta Lloyd Asset Management

The joint Xerox pension funds selected Delta Lloyd Asset Management to manage their fixed-income investments. The mandate is for the investment of € 270 million in euro-denominated government bonds.

FEBRUARY 2004

Delta Lloyd outsources ICT infrastructure services to IBM

Delta Lloyd Group has signed a seven-year contract with IBM for the outsourcing of all ICT infrastructure services. The outsourcing fits in with Delta Lloyd Group's strategy of focussing on its core competences. The contract represents a value of about € 200 million and covers the outsourcing of data centres, PC management and telecommunications. The existing contracts with ICT partners were also migrated to IBM, as were about 160 Delta Lloyd Group employees. The compensation & benefits package offered by IBM was among the key reasons for choosing IBM.

APRIL 2004

Delta Lloyd wins another Standard & Poor's Cash Fund Award

Once again, Delta Lloyd Asset Management won the Standard & Poor's Cash Fund Award in the 'specialised groups' category over a five-year period. Key to this success was the fact that Delta Lloyd achieved the most consistent relative performance in the relevant period.

Delta Lloyd Agriculture launches innovative 'black box'

Delta Lloyd Agriculture officially inaugurated the ProDaLog registration system for the greenhouse farming sector. Delta Lloyd was a major driving force behind the implementation of this system that records all climate control data. In the event of crop damage, the grower and the insurer can jointly establish what went wrong, using the stored data. Delta Lloyd Agriculture is the first insurer to work with such a 'black box', and sees the system as a practical solution for keeping the ever-mounting risks in the greenhouse farming sector insurable. Growers who install the system are rewarded with a premium discount on their crops insurance.

Delta Lloyd Property wins the annual award of the Netherlands Shopping Centre Council

On 1 April, Delta Lloyd Property received the 2004 award of the Netherlands Shopping Centre Council for the Piazza Center in Gorinchem. The jury report hailed the centre's functionality, its integration into the environment and the renovation method applied. The prize, which was awarded this year for the fifteenth time, is aimed at promoting shopping facilities that are conceived, developed and realised with due regard to environmental and market-related aspects. Since its reopening, the Piazza Center has attracted 35% more visitors per week and realised turnover growth of 32%.

MAY 2004

Launch of Delta Lloyd 'AOV' Costs Insurance

Delta Lloyd launched the Delta Lloyd AOV Costs Insurance, a new product that protects policyholders against a period without income due to occupational disability or involuntary redundancy. The sum insured is not related to prior income. The product can be used to supplement both mortgage-related products and other income insurance policies.

Delta Lloyd Group 2004 highlights

Delta Lloyd launches 'DrieSterrenHypotheek' mortgage
In launching a new mortgage product called the 'DrieSterrenHypotheek', Delta Lloyd has proved that mortgages can be tailored to individual needs. This new type of mortgage combines low interest rates with security and quality. The tightened-up policy conditions make it possible to offer a competitive interest rate. Various repayment options are available. Customers who at the same time take out housing expenses protection qualify for an extra interest rate discount.

JUNE 2004

Delta Lloyd Witteveen-proof
To comply with new statutory requirements, Delta Lloyd adapted all its pension plans with effect from 1 June 2004. The entire group pension plan portfolio was screened, and customers with pension contracts including more than five active members were informed of the changes before 1 May. In virtually all cases Delta Lloyd also supplied new pension plan rules at the same time.

Silver 'Effie' for OHRA
OHRA won the silver Effie, a prize with a gilt edge since the gold Effie was not awarded in 2004. The Effie is the annual award for the most effective advertising campaign. The OHRA case was assessed on all the commercial work produced during the year. The jury commented: 'The direct result campaign contributed effectively to the commercial performance.'

AUGUST 2004

New Group CAO
Delta Lloyd Group and the trade unions FNV Bondgenoten, De Unie and CNV Dienstenbond reached agreement on a new CAO (Collective Labour Agreement) for the over 5,000 employees of Delta Lloyd Group in the Netherlands. The CAO is applicable retroactively from 1 June 2004 and is valid for a twelve-month term. Under the new CAO, all staff are eligible for a one-off payment of 1.25% of the annual salary in October 2004 and a pay rise of 1.35% from 1 February 2005. Half of this increase is to be paid into the employee's own pension, which means that Delta Lloyd Group has now introduced contributory pensions for all employees.

SEPTEMBER 2004

Launch of renewed 'The Future Secured' strategy
In September Delta Lloyd Group launched its renewed strategy named 'The Future Secured'. On 2 September, the Executive Board and all directors and managers gathered to kick off the renewed strategy. The directors and managers subsequently organised meetings at all locations to announce the renewed strategy to their staff members.

Individual health insurance via www.deltalloyd.nl
Customers are increasingly taking out health insurance via the internet. On 8 September, in response to this trend, Delta Lloyd introduced the option of taking out health insurance direct via its website: www.deltalloyd.nl. Customers can indicate online that they wish to apply for insurance cover. Delta Lloyd expects that this new service will enable it to deliver many *leads* to intermediaries and will stimulate the sales of individual health insurance products.

Delta Lloyd Group 2004 highlights

Delta Lloyd mutual funds also on offer via Rabobank
On 10 September Rabobank started to actively sell third-party mutual funds, including the Delta Lloyd funds. Alongside Delta Lloyd, Rabobank has selected five other providers (ABN AMRO, ING, Fortis, Fidelity and Merrill Lynch) who are all to be given a prominent place in the range. This means Delta Lloyd has gained access to a large investor base: no less than one in four retail investors in the Netherlands maintains an investment account with Rabobank.

OCTOBER 2004
ABN AMRO Insurance sells one millionth package insurance policy
On 29 October, ABN AMRO Insurance sold its 1,000,000th package insurance policy, thereby securing a position among the top general insurance providers in the Netherlands. This is in line with ABN AMRO Insurance's ambition to double its sales within five years.

NOVEMBER 2004
Delta Lloyd Mortgages sets new lending record
After achieving a record-breaking € 193 million in July, Delta Lloyd Mortgages set a new record in the month of October, with loans totalling € 216.9 million. The main drivers of this success were a wider product range, good service and a new interest rate policy.

DECEMBER 2004
Group contracts for OHRA General Insurance
OHRA General Insurance signed a group contract with Logica CMG (approximately 6,000 people). This is a master contract offering employees discounts on general insurance products. Two months earlier OHRA General Insurance had already concluded a comparable group contract with IBM (also approximately 6,000 people).

Highest Morningstar Rating for Delta Lloyd Euro Credit Fund
The international rating institute Morningstar awarded the Delta Lloyd Euro Credit Fund a five-star rating, awarding this bond fund a position alongside the other Delta Lloyd bond funds that have long boasted this highest rating.

consolidated balance sheet after profit appropriation

In millions of euros		31/12/2004		31/12/2003
ASSETS				
Insurance operations				
Intangible fixed assets				
Goodwill P88		170.7		183.6
Investments				
Land & buildings P88	1,897.2		1,915.3	
Participating interests P89	49.4		87.7	
Other financial investments P89	26,262.8		22,036.6	
Securitised mortgage loans P91	-5,252.3		-3,175.2	
Deposits with reinsurance companies	80.8		81.9	
		23,037.9		20,946.3
Investments for the account and risk of policyholders and savings fund investments P94		9,318.7		8,310.8
Debtors				
Arising out of direct insurance operations P95	368.3		600.8	
Arising out of reinsurance operations	60.9		45.5	
Other debtors	902.8		1,018.0	
		1,332.0		1,664.3
Other assets				
Tangible fixed assets P96	50.9		64.3	
Cash and cash equivalents	798.7		931.1	
Other assets	134.6		80.4	
		984.2		1,075.8
Prepayments and accrued income				
Accrued interest and rent	264.1		304.4	
Deferred acquisition costs P96	279.2		281.4	
Other prepayments and accrued income	231.5		266.8	
		774.8		852.6
Total assets, insurance operations		35,618.3		33,033.4
Banking operations				
Total assets, banking operations P97		5,111.3		5,043.7
TOTAL ASSETS		40,729.6		38,077.1

consolidated balance sheet after profit appropriation

In millions of euros	31/12/2004		31/12/2003	
LIABILITIES				
Group capital and reserves				
Shareholders' funds P101	2,648.9		2,243.7	
Subordinated loans P102	413.2		408.2	
Fund for general banking risks P103	0.5		2.6	
		3,062.6		2,654.5
Minority interests		118.1		110.1
Insurance operations				
Technical provisions				
Unearned premiums and unexpired risks P105	430.0		406.4	
Life insurance P105	18,308.7		17,239.6	
Claims outstanding P105	1,648.0		1,598.8	
Policyholders' profit-sharing and rebates P105	258.1		231.1	
		20,644.8		19,475.9
Reinsurers' share P105		-1,287.1		-1,355.9
		19,357.7		18,120.0
Technical provisions for policies where the investment risk is for the account and risk of policyholders and for savings fund investments P106		9,658.7		8,732.7
Reinsurers' share P106		-34.7		-28.3
		9,624.0		8,704.4
Other provisions P108		109.0		104.4
Deposits received from insurers		1,056.6		1,081.9
Creditors				
Arising out of direct insurance operations P108	1,040.3		1,175.0	
Arising out of reinsurance operations	40.2		36.7	
Other liabilities P109	935.8		924.5	
		2,016.3		2,136.2
Accruals and deferred income P109		818.6		551.8
Total liabilities, insurance operations		32,982.2		30,698.7
Banking operations				
Total liabilities, banking operations P111		4,566.7		4,613.8
TOTAL LIABILITIES		40,729.6		38,077.1

consolidated profit and loss account

In millions of euros		2004		2003
PROFIT AND LOSS ACCOUNT				
Technical account				
Life business P119	265.4		-193.1	
General business P123	115.6		40.7	
Health business P126	4.0		-17.9	
		385.0		-170.3
Investment income P115				
Gross investment income	2,232.2		1,926.5	
Interest earned on securitised mortgage loans	-206.5		-181.3	
		2,025.7		1,745.2
Investment expenses P117		-284.6		-433.8
Allocated investment income transferred to:				
Life business technical account	-1,610.3		-1,171.3	
General business technical account	-63.3		-43.9	
Health business technical account	-15.6		-12.7	
		-1,689.2		-1,227.9
Other income				
Result on insurance broking operations	0.5		-1.7	
Result on banking operations	24.5		20.0	
Other P117	50.7		11.2	
		75.7		29.5
Other expenses P118		-103.3		-92.9
Exceptional income and expenses P118		-		-27.5
Result before taxation		409.3		-187.8
Taxation P118		-98.2		91.8
Result after taxation		311.1		-95.9
Minority interests		-9.1		-8.0
Net result		302.0		-104.0

summary of overall result

In millions of euros	2004	2003
Consolidated net result after taxation	**302.0**	**-104.0**
Net movement in unrealised revaluations	83.4	356.6
Other direct changes in shareholders' funds	20.0	231.0
Total direct changes in shareholders' funds	**103.4**	**587.6**
Overall result	405.4	483.6

This summary shows the results achieved by the Group, irrespective of the results being taken to the profit and loss account or to the shareholders' funds.

consolidated cash flow statement

In millions of euros		2004		2003
CASH FLOW STATEMENT				
Cash flow from operating activities				
Net result	302.0		-104.0	
Addition to technical provision, net of reinsurance	2,104.1		1,468.7	
Movement in provisions	1.8		27.7	
Amortisation of capitalised interest rate rebates	19.7		54.2	
Depreciation of tangible fixed assets	10.9		19.3	
Amortisation of goodwill	-30.5		13.5	
Movement in current liabilities	255.2		-918.6	
Deferred acquisition costs	2.2		23.9	
Interest rate rebates granted	33.6		91.5	
Movement in debtors	431.7		-252.1	
Other movements	-482.4		-28.4	
		2,648.3		395.7
Cash flow from investing activities				
Investments and purchases				
Purchase of land & buildings and shares	-1,997.7		-2,441.3	
Investments in group companies and participating interests	42.9		-170.5	
Purchase of other financial investments	-35,207.5		-37,290.9	
Purchase of tangible fixed assets	-11.6		-40.1	
Sub-total		-37,173.9		-39,942.8

consolidated cash flow statement

In millions of euros		2004		2003
Sub-total		-37,173.9		-39,942.8
Disposals, repayments and sales				
Sale of land & buildings and shares	1,753.7		2,249.7	
Investments in group companies and participating interests	56.9		2.8	
Sale of other financial investments	33,766.6		37,965.3	
Sale of tangible fixed assets	11.7		9.5	
Sub-total		35,588.9		40,227.3
Movement in investments for the account and risk of policyholders		-1,008.0		-931.6
		-2,593.0		-647.1
Cash flow from financing activities				
Movement in long-term liabilities, insurance operations	-59.4		831.7	
Movement in long-term liabilities, banking operations	-104.7		29.8	
Movement in reinsurers' deposits	1.2		-4.3	
Movement in short-term loans	-24.6		-198.3	
Dividends paid	-0.2		-0.2	
		-187.7		658.7
Movement in cash and cash equivalents		-132.4		407.3

1 Introduction

1.1 GENERAL

Delta Lloyd NV is an economic unit consisting of operating companies engaged in insurance and banking. Classification of the items in the consolidated balance sheet and profit and loss account, and their accounting treatment are in line with applicable legislation and regulations and generally accepted practice in the industry sectors concerned. The company profit and loss account is drawn up in compliance with section 2:402 of the Netherlands Civil Code. In respect of its investments, Delta Lloyd NV has opted for an asset-liability management policy in order to achieve an optimum longer-term match between the risk and return profiles of the insurance portfolio and the investment portfolio.

1.2 CHANGES IN ACCOUNTING POLICIES

Discussions on a generally accepted accounting treatment of capital gains and losses on variable-yield securities (shares and property) in the financial statements of insurance companies have been going on for some time.

Considering the long-term nature of the obligations, insurance companies have been using the indirect return method in their annual reporting to allocate investment results. Under this method, which was endorsed by the Council for Annual Reporting in the Netherlands (Raad voor de Jaarverslaggeving), the investment result recognised was based on long-term average returns. From a matching principle point of view, Delta Lloyd, too, believed this to be the most appropriate method of accounting for investment income. In view of changes in perceptions by the business community at large in this respect, it has been decided to make a change in accounting policies. The choice of new accounting policies took due account of the fact that as from 2005 Delta Lloyd intends to apply the International Financial Reporting Standards (IFRS). It has therefore been decided to change the accounting policies in such a way that unrealised capital gains and losses on variable-yield securities are recognised in the revaluation reserve and taken to the profit and loss account in the event of sale. Application of the indirect return method, under which both realised and unrealised gains and losses were added to the revaluation reserve and a regular return was withdrawn subsequently, affected the manner in which the required level of the revaluation reserve was determined based on the accounting policies. The transition to another method of income recognition therefore results in another accounting policy for the revaluation reserve as well. In this instance, too, the International Financial Reporting Standards served as the benchmark. This means that variable-yield securities whose value on the balance sheet date is expected to be permanently impaired will be carried at a lower value. In contrast to previous years, this is now determined on the basis of individual investments. For 2004, these long-term impairments have been accounted for directly as realised capital losses in the profit and loss account.

Since the implemented changes in accounting policies only affect the determination of the result, it does not influence shareholders' funds as a whole but only its constituent elements. Had the new accounting policies been applied in 2003, the net result for that financial year would have been lower by € 350.6 million. The figures for 2003 have been adjusted for comparison purposes.

1.3 CONSOLIDATION POLICIES

The consolidated financial statements include the accounts of all the companies for which Delta Lloyd NV can, directly or indirectly, cast more than 50 per cent of the total number of votes at the general meeting of shareholders and which are to be regarded as group companies. The full consolidation method is used. The interest of third parties in group equity is included in the item minority interests.
Assets and liabilities for the insurance operations and banking operations are shown separately in the consolidated balance sheet. Intra-group balances have been eliminated.

2 Asset and liability valuation rules

2.1 GENERAL

Unless stated otherwise below, assets and liabilities are carried at face value, where necessary net of provisions. Income and expenses are allocated in accordance with the matching principle, except for the movements, discussed under asset and liability valuation rules, which are taken directly to equity.

Foreign currencies
Assets and liabilities denominated in foreign currencies are translated at the spot rates prevailing on the balance sheet date. Income and expenses arising from transactions in foreign currencies are translated at the spot rates on the transaction date.
Exchange rate differences included in capital gains and losses on consolidated foreign participating interests are taken directly to equity.
The other exchange rate differences are accounted for in the profit and loss account.

Financial instruments
Financial instruments contracted for hedging the group's own positions are accounted for in accordance with the valuation rules that apply to the underlying positions.
Financial instruments not contracted for hedging the group's own positions are carried at market value or estimated net realisable value. In principle, valuation differences are taken to the profit and loss account.

2.2 INSURANCE OPERATIONS

2.2.1 Intangible fixed assets

Goodwill

Goodwill and negative goodwill, if any, is capitalised in the year of acquisition and charged or credited on a straight-line basis to the profit and loss account over the estimated useful life, subject to a maximum period of 20 years.
However, goodwill in respect of the acquisition of ABN AMRO Insurance is amortised over a period of thirty years, which is equal to the term of the distribution agreement. Diminutions in value expected to be long-term are taken into account.

2.2.2 Investments

Land & buildings

Land and buildings are carried at their appraised net realisable value assuming they are sold by private treaty when let. Appraisals are performed internally every year and externally on a rolling basis in such a way that all land and buildings are appraised at least once every four years. In the year of acquisition, land and buildings are valued at historical cost. New buildings are valued at the lower of historical cost plus construction interest or market value in the year of completion. Buildings under construction are valued at the lower of the amount invested plus construction interest or market value. Unrealised capital gains and losses or exchange rate movements in respect of land and buildings are accounted for in the revaluation reserve, net of tax. Realised gains and losses on land and buildings are taken to the profit and loss account

Participating interests

Participating interests in which significant influence is exercised are carried at net asset value determined in accordance with the accounting policies of the group. Movements in the net asset value of participating interests are recorded in the revaluation reserve.
Other participating interests are carried at appraised value with due regard for the prudence principle (based on the net asset value and earning capacity value of the companies concerned).
Loans to participating interests are carried at face value, less provisions for loan losses deemed necessary. Dividends received are taken to the profit and loss account.

Other financial investments

Fixed-income securities

Investments in fixed-income securities are carried at redemption value net of provisions as deemed necessary. The systematic replenishments made to these provisions are charged to the return on investments. Redemption value is usually equal to face value.
The difference between redemption value and cost is stated as yield difference under prepayments and accrued income (net premium) or accruals and deferred income (net discount) and taken to the profit and loss account as investment income over the average remaining term to maturity of the investment. The difference between the sale proceeds and

redemption value is likewise stated as yield difference and taken to the profit and loss account over the remaining term to maturity, to the extent that the fixed-income securities sold have been replaced by similar investments. If this condition is not met, realised differences in the value of fixed-income securities are taken to the profit and loss account as a lump sum.

Other securities
Investment portfolio shares and other variable-yield securities are carried at market value. For listed securities, this is their market value as at balance sheet date, and for non-listed securities, this is an estimated net realisable value taking the principle of prudence into account. Investment pools are valued as far as possible in accordance with the company's accounting policies on the basis of the pool manager's statement. Unrealised differences in the value of other securities, net of tax, are accounted for in the revaluation reserve. This downward revaluation is taken to the profit and loss account as a realised loss.

Securitisation
The item other financial investments includes securitised mortgage loans. In conformity with the accounting and presentation policies applied by the UK shareholder of Delta Lloyd NV for such transactions, securitisation transactions qualify for linked presentation.

2.2.3 Investments for the account and risk of policyholders and savings fund investments

These investments consist of three groups: investments for unit-linked insurance policies, savings fund (Spaarkas) investments and segregated deposits. Taking section 2:442 of the Netherlands Civil Code into account, investments for unit-linked insurance policies and savings fund investments should be valued at current value. For the savings fund investments this legal provision is not consistent with the rules of the Guldensbeleggingsfonds mutual fund concerning the valuation of the investments. In order to present the current value of these investments fairly, the value of the savings fund investments is shown in the notes. On the whole, the same accounting policies are used for the valuation of segregated deposits as are used for investments held for own account and risk. Where valuation deviates from these accounting policies, such deviations are taken into account in the computation of the relevant technical insurance obligations.

2.2.4 Other assets

Included under this heading are tangible fixed assets, cash and cash equivalents and other assets.

Tangible fixed assets
Information processing equipment is carried at historical cost net of cumulative depreciation. Depreciation is in equal instalments over the useful economic life of the assets.

2 Asset and liability valuation rules

Other tangible fixed assets are likewise carried at historical cost net of cumulative depreciation. Depreciation is in equal instalments over a period of three to ten years. Diminutions in value expected to be long-term are taken into account.

Other assets
The sales projects are included under this heading. They are carried at the lower of the amount invested plus construction interest or market value, net of any instalments already paid by buyers.

2.2.5 Prepayments and accrued income

Among the items included under this heading are accrued interest, rent and new business acquisition costs, which are costs incurred on policies concluded. Where the insurance premium payments are periodic via intermediaries, new business acquisition costs that vary according to the volume of new business are deferred and gradually charged to the profit and loss account. On the whole, amortisation is matched to the duration of the contracts.
For general insurance operations, the provision for unearned commission over the unexpired risk terms is included under deferred acquisition costs. For life insurance operations, the deferred acquisition costs consist of commission to intermediaries and own field staff on the one hand, and of costs directly related to the conclusion of the insurance contract on the other. Amortisation is spread over the period of the premium payments on the insurance, taking into account the cover available under the premiums, with a maximum period of ten years.
Deferred acquisition costs also include an amount in respect of the value of the life insurance portfolios of purchased insurance businesses (Acquired Value In Force or AVIF). This value is actuarially calculated based on the present value of the expected future net results of the purchased insurance portfolios in existence at the time of acquisition.
Amortisation is over the estimated useful life, which is set at a maximum period of twenty years

2.2.6 Reserves

The participating interests reserve includes the movements in participating interests' retained profits, to the extent these are required to maintain the required capital adequacy level, as well as the statutory reserve for retained profits.
The revaluation reserve includes the unrealised movements in the value of variable-yield securities, as well as the taxes relating to these movements.
The revaluation reserve in the company financial statements includes all the movements in the net asset value of participating interests that are not accounted for in the participating interests reserve.

2.2.7 Subordinated loans

Subordinated loans are carried at fair value at the time of issue.

2.2.8 Technical provisions, insurance operations

Considering the nature of the liabilities, these provisions are substantially long-term.

Provision for unearned premiums and unexpired risks, general business
This provision is prorated to the unexpired risk terms over the net written premium. A separate provision is formed for insurance policies that provide for a gradually rising risk during the term of the contract, with premiums not being subject to age.
This also includes a catastrophe provision for storm damage. Additions are made to this provision yearly based on premium savings and market-related reinsurance premiums.

Actuarial provision for medical expenses
The relevant resolutions of the Dutch central bank (De Nederlandsche Bank NV) and the guidelines on the accounting policies to be applied serve as the point of departure for the calculation of the actuarial provision for medical expenses included in the provision for unearned premiums and unexpired risks. Account is also taken of actuarial opinions.

Provision for unexpired risks
The provision for unexpired risks includes amounts to compensate for the effects on premiums resulting in part from government interference, as well as to cover the risk that in the coming years the premium of insurance contracts will not be able to be sufficiently increased compared to the increase in the cost of claims. In addition, this provision includes amounts for future risks in the healthcare sector the calculation of which is based on a prudent, prospective, actuarial method, allowing for the conditions applicable to current insurance contracts and for market developments.

Technical provision for life insurance
The technical provision for life insurance is based on recent mortality tables, taking into account changes in mortality risk in the coming years, for which an additional provision is created. The provision is determined using the net method and the amount provides for administrative and disbursement costs. For supplementary insurance contracts, a provision is formed insofar as payments for losses incurred or for IBNR losses will follow. The actuary examines the adequacy of the provision every year. Interest rate rebates not yet amortised are disclosed as a deduction from the provision for life insurance. The cumulative capitalised interest rate rebates are carried at the face value of the rebates granted net of amortisation.
The rebates granted in any year are amortised straight-line over ten years. This provision also includes the provision for unearned premiums and the provision for life insurance benefits payable.

Technical provision for claims outstanding
Statistical methods are used to calculate the technical provision for claims outstanding. Based on losses reported, and taking into account expected movements in inflation and statistical uncertainties, the provision is determined by reference to historical developments. The method used takes account of losses incurred and reported but not yet settled

2 Asset and liability valuation rules

prior to the balance sheet date, IBNR losses as well as expected subrogation income from claims and the acquisition of ownership of insured property. The amount of the provision also allows for accrued claims handling expenses determined on the basis of the average settlement terms for the various types of claims, account being taken of all future expenses, including future price movements and cost inflation. The provision for occupational disability and accident insurance is equal to the present value of the expected benefits, with such factors as terms and deferred terms as well as rehabilitation and mortality rates being taken into account.

Technical provision for policyholders' profit-sharing and rebates
This provision relates to profit-sharing, notably on group contracts, to be granted but not yet accounted for in the financial year. The amount is based on an estimate of the interest rate gain or loss, such estimate being made by reference to contractual arrangements.
In addition, this provision includes increases in the value of investments insofar as these accrue as future profit shares to policyholders pursuant to legal and/or contractual provisions.

2.2.9 Technical provisions for policies where the investment risk is for the account and risk of policyholders and for savings fund investments

To the extent that these refer to investment units and savings fund investments they are valued on the basis of the same policies that are used to value the linked investments. For the portion related to segregated deposits, the text under provisions for life insurance applies mutatis mutandis.

2.2.10 Other provisions

Provision for deferred tax liabilities
A provision is created for the deferred tax liability on all relevant timing differences and reserves permissible under tax legislation. This provision is equal to the present value of the future tax liabilities. Taking estimated terms to maturity into account, the deferred tax liability is calculated using rates varying from zero to the standard tariff. In the case of a net deferred tax asset it is included under other debtors insofar as it is expected to materialise in the future.

Provision for pensions
The provision for pensions covers the adjustment to the pensions of employees and former employees and the charges in connection with early termination of employment, early retirement and redundancy pay schemes.

Reorganisation provision
This provision is created for charges resulting from restructuring programmes.

2 Asset and liability valuation rules

2.3 BANKING OPERATIONS

General
Unless stated otherwise, the accounting policies applied to the banking operations are the same as those applied to the insurance operations.

Banks and loans and advances
The amounts due to the banking division by domestic and foreign banks are included under banks, and the amounts due by the public and private sector are included under loans and advances.

2.3.1 Investments

Interest-bearing securities
Bonds and other fixed-income securities forming part of the investment portfolio are carried at redemption value net of a diminution in value for impairment. The difference between this value and the cost of these fixed-income securities is prorated to the average remaining term to maturity in the profit and loss account. Gains and losses on the sale of fixed-income securities forming part of the investment portfolio and for which replacements have been purchased are accounted for in the profit and loss account, taking the weighted average term to maturity of the investment portfolio into account. Listed bonds and other fixed-income securities forming part of the trading portfolio are carried at their last known market price as at the balance sheet date. Movements in value are taken to the profit and loss account. The other securities are carried at the lower of cost or market value.

Shares
Shares and other variable-yield securities forming part of the investment portfolio are carried at market value. Movements in value are taken to the shares and variable-yield securities revaluation reserve. Insofar as this revaluation reserve is insufficient to absorb negative movements in value, the price fluctuations are charged to the profit and loss account. Shares and other variable-yield securities forming part of the trading portfolio are also carried at market value.
Movements in value are taken to the profit and loss account. The other shares are carried at the lower of cost or market value. Non-listed shares and other variable-yield securities are carried at their estimated net realisable value.

Investment portfolio
The investment portfolio is comprised of both bonds and other fixed-income securities, as well as shares and other variable-yield securities forming part of fixed assets and intended as a matter of policy to be held as an investment.

Immovable property and other assets used in operations
Buildings, including land, used by the group in operations are stated at current value based on appraisals by external valuators. The structures and fixtures are depreciated straight-line over the estimated useful economic life, subject to a maximum period of fifty years, ignoring any residual value. Movements in value, net of tax, are taken to shareholders'

2 Asset and liability valuation rules

funds on a permanent basis. Investments in rented premises and equipment are capitalised and likewise depreciated on a straight-line basis over the estimated useful economic life.

Fund for general banking risks

This fund is intended to cover general risks associated with banking operations. Amounts added to and withdrawn from the fund are accounted for net in the profit and loss account under Fund for general banking risks. The tax payable or refundable on the movements in this fund are charged or credited to it.

3 Profit and loss account

Income
Income is understood to mean the sum of:
- all premiums charged to third parties including inwards reinsurance; premiums also include the amounts owed by savers to the savings funds and policy charges recovered;
- investment income;
- gross commission on insurance broking operations;
- gross commission on banking operations.

Delta Lloyd NV pension scheme
The pension schemes for the employees of Delta Lloyd in the Netherlands are based on an average pay system. The obligations flowing from periodic increases in pensionable income and from the increases in pensions payable are fully insured and are fully funded every year.
Within the group there are pension schemes operating under different funding methods.

Exceptional income and expenses
Included under this heading are income and expenses arising from events or transactions that form part of ordinary activities but, because of their nature, extent or non-recurring character, have to be presented separately if the result on ordinary activities is to give a true and fair view.

Taxation
Corporation tax is calculated on the estimated taxable amount, taking tax relief facilities into account. In the financial statements, the tax charge is allocated to the profit and loss account, shareholders' funds and the provision for deferred tax liabilities.

Profit appropriation
Profit is appropriated in accordance with article 35 of the Articles of Association.

4 Cash flow statement

The consolidated cash flow statement is drawn up in accordance with the indirect method, a distinction being made between cash flows from operating, investing and financing activities.
The net cash flow from operating activities is adjusted for items in the profit and loss account and/or movements in balance sheet items that do not lead to any inflow or outflow of cash in the financial year.
A number of items of a similar nature in the insurance and banking operations have been combined in the cash flow statement.

Insurance operations

In millions of euros		31/12/2004		31/12/2003
ASSETS				
Intangible fixed assets				
Goodwill				
Opening balance	183.6		23.4	
Group changes	-4.7		-	
Purchases	4.6		171.1	
Sales	-1.7		-0.8	
Deprecation	-11.1		-10.1	
		170.7		183.6
Investments				
Land & buildings				
Fully used in operations	172.8		185.5	
Partially used in operations	113.9		107.0	
Other	1,610.5		1,622.8	
		1,897.2		1,915.3
Opening balance	1,915.3		1,859.6	
Purchases	51.9		62.7	
Sales	-49.0		-84.2	
Revaluation and other movements	-21.0		77.2	
		1,897.2		1,915.3
The historical cost of land & buildings at year-end amounted to	1,458.9		1,414.7	
Capitalised construction interest at year-end amounted to (in %)	3.3		3.5	

Insurance operations

In millions of euros

	2004	2003	2002	2001 and earlier
The assessment of land & buildings by external valuators for the years 2000-2004 in relation to the year-end book value was:				
Percentage of land & buildings	38.1	45.5	15.9	0.5

		31/12/2004		31/12/2003
Participating interests				
Opening balance	87.7		69.3	
Group changes	-61.2		0.1	
Purchases	5.0		15.9	
Sales	-0.6		-2.8	
Revaluation and other movements	18.5		5.2	
		49.4		87.7
The historical cost of participating interests at year-end amounted to	47.5		82.8	
Other financial investments				
Shares, investment trust units and other variable-yield securities				
Listed	3,267.2		3,036.3	
Not listed	1,188.3		1,003.7	
		4,455.5		4,040.0
Bonds and other fixed-income securities				
Listed	9,901.7		8,258.2	
Not listed	628.6		73.8	
		10,530.3		8,332.0

Insurance operations

In millions of euros		31/12/2004		31/12/2003
Investment pools	80.9		83.9	
Mortgage loans	7,961.0		6,386.8	
Other loans	2,624.2		2,636.5	
Provision for investment risks	-30.5		-54.3	
Deposits with credit institutions	365.2		348.1	
Other financial investments	276.2		263.6	
		11,277.0		9,664.6
		26,262.8		22,036.6
Opening balance	22,036.6		19,872.5	
Purchases	36,899.3		38,974.3	
Sales and redemptions	-33,025.7		-38,652.8	
Revaluation and other movements	352.6		1,842.6	
		26,262.8		22,036.6
The current value of fixed-income securities at year-end amounted to:				
Bonds	11,276.5		8,991.4	
Mortgages	8,232.8		6,254.5	
Other loans	2,396.4		2,386.4	

The difference between the book value and the current value of these investments is largely attributable to the difference in interest rate at the time of purchase and as at the balance sheet date.
It should be noted that such interest rate differences relating to obligations pursuant to current profit-sharing arrangements also affect the insurance obligations to which these investments are linked.

Insurance operations

In millions of euros	31/12/2004	31/12/2003
The current value of the investments concerned is therefore of limited significance.		
The difference between the cost and the redemption value of bonds and other fixed-income securities at year-end amounted to	-471.9	-599.6
The cost of the other financial investments at year-end amounted to		
Shares, investments trust units and other variable-yield securities	3,842.0	3,592.9
Investment pools	75.9	86.1
Other financial investments	246.3	234.5
Deposits with credit institutions	434.1	417.6
Securitised mortgage loans	-5,252.3	-3,175.2

Delta Lloyd Group has transferred the income from these mortgage loans to special purpose entities (Arena 2000-I BV, Arena 2001-I BV, Arena 2002-I BV, Arena 2003-I BV, Arena 2004-I BV, Arena 2004-II BV and DARTS Finance BV, hereinafter referred to as the 'Arena companies'). These companies have issued bonds to fund these transactions. The transfer has not resulted in the recognition of any profit or loss.

Delta Lloyd Group is not required and does not intend to compensate the holders of the bonds it issued for any losses. Moreover, as regards both principal and interest, the bonds have been issued subject to the condition that its holders are entitled to any distribution only insofar as the resources available to the Arena companies, including the income from the securitised mortgage loans, permit. In addition, it has been stipulated that the bondholders have no right of recourse against Delta Lloyd Group.

All the shares in the special purpose entities are held by foundations set up especially for this purpose. Delta Lloyd Group does not hold an equity interest, either directly or indirectly, in either the special purpose entities or the abovementioned foundations.
Delta Lloyd Group receives fees from the special purpose entities for the administration of the loans and for interest rate swaps contracted to hedge the interest rate risk associated with the modified transactions.

Through the interest rate swaps between Delta Lloyd Group and the special purpose entities, in principle, the interest income derived from the securitised mortgage loans is converted into an interest payment that substantially covers the interest due to the bondholders. The interest rate swaps ensure that incoming and outgoing interest payments of the special purpose entities match. The structure has been so designed that the difference between the mortgage interest received and the interest payable on the bonds is eliminated. Through the swap, this interest rate risk is transferred to Delta Lloyd Group. To hedge the currency risk arising from the timing difference, Delta Lloyd Group has entered into swaps with a bank.

Insurance operations

Delta Lloyd Group has neither the right nor the obligation to repurchase the securitised mortgage loans, except under certain circumstances in which it fails to meet its contractual obligations.

As at the balance sheet date, Delta Lloyd NV invested for its own account (face value):
€ 91.9 million (2003: € 3.1 million) in fixed-income, non-preference A bonds;
€ 36.5 million (2003: € 24.5 million) in mezzanine fixed-income B bonds;
€ 12.5 million (2003: € 2.5 million) in fixed-income C bonds;
€ 12.2 million (2003: € 2.5 million) in fixed-income subordinated D bonds; and
€ 3.5 million (2003: nil) in fixed-income subordinated E bonds.

These bonds, which were issued by the Arena companies and DARTS BV, mature between 2037 and 2062 and are included under other financial investments as bonds and other fixed-income securities for a total amount of € 45.7 million (2003: € 32.6 million). An amount of € 110.9 million (2003: nil) is included under the banking operations' interest-bearing securities.

Insurance operations

In millions of euros		31/12/2004		31/12/2003
Deposits with reinsurance companies		80.8		81.9
Total investments for own account		23,037.9		20,946.3
Investments for the account and risk of policyholders and savings fund investments				
Investments for unit-linked policies	5,262.8		4,405.8	
Segregated deposits for group contracts	3,462.8		3,357.2	
Savings fund investments	593.1		547.8	
		9,318.7		8,310.8
Opening balance	8,310.8		5,485.9	
Group changes	-		1,893.3	
Purchases	3,021.4		2,624.6	
Sales and repayments	-2,147.7		-1,821.3	
Revaluation and other movements	134.2		128.3	
		9,318.7		8,310.8
The market value of investments for the account and risk of policyholders and savings fund investments at year-end amounted to	9,267.8		7,991.5	
- of which segregated deposits	3,458.8		3,353.0	
- and savings fund investments	545.6		547.8	

Insurance operations

In millions of euros		31/12/2004		31/12/2003
The cost of the investments for the account and risk of policyholders and the savings fund investments amounted to	9,311.5		8,013.9	
- of which segregated deposits	3,488.3		3,386.8	
- and savings fund investments	581.0		527.5	

The difference between the investments and the provision for the account and risk of policyholders consists mainly in amounts to be contributed to the segregated deposits in the future. Arrangements are in place regarding the return for the period until the are due. The differences are guaranteed.

Debtors

Arising out of direct insurance operations

Policyholders	304.5		487.4	
Intermediaries	63.8		113.4	
		368.3		600.8

The item other debtors includes a deferred tax asset in the amount of	479.3	545.3
The face value amounted to	215.5	284.4

Insurance operations

In millions of euros		31/12/2004		31/12/2003
Other assets				
Tangible fixed assets				
This item is made up of:				
Data processing equipment	2.7		14.3	
Other machinery and equipment	48.2		50.0	
		50.9		64.3
Opening balance	64.3		51.7	
Additions	3.1		31.4	
Depreciation	-4.7		-14.7	
Disposals	-11.8		-4.1	
		50.9		64.3
The total cost of tangible fixed assets at year-end amounted to	108.1		147.4	
Accumulated depreciation at year-end totalled	-57.2		-83.1	

In 2004, Delta Lloyd NV outsourced its ICT infrastructure services, including items of data processing equipment.

Prepayments and accrued income				
Deferred acquisition costs				
Life business	215.8		217.7	
General business	63.4		63.7	
		279.2		281.4

The item deferred acquisition costs includes an amount of € 67.0 million (2003: € 70.8 million) in respect of the portfolio value of purchased insurance businesses (Acquired Value In Force).

Banking operations

In millions of euros	31/12/2004		31/12/2003	
Total assets, banking operations				
Goodwill				
Opening balance	52.7		56.1	
Group changes	4.7		-	
Purchases	-		0.4	
Sales	-		-0.3	
Amortisation	-4.1		-3.5	
		53.3		52.7
Banks				
This item is made up of bank balances that are due as follows:				
On demand	107.4		80.4	
Within three months	68.7		96.4	
After three months but within one year	0.1		9.5	
After one year but within five years	-		0.7	
		176.2		187.0
Geographic analysis				
The Netherlands	64.5		103.3	
Other EU countries	111.4		83.4	
Non-EU countries	0.3		0.3	
		176.2		187.0
Loans and advances				
Mortgage loans	1,595.6		1,722.1	
Other loans	485.6		466.1	
Commercial loans	783.3		651.7	
		2,864.5		2,839.9

Banking operations

In millions of euros		31/12/2004		31/12/2003
Loans and advances by sector				
Retail loans	2,143.1		2,253.6	
Commercial loans	783.3		651.7	
Provisions for loan losses	-61.9		-65.4	
		2,864.5		2,839.9
These are due as follows:				
On demand	945.0		1,063.9	
Within three months	136.0		129.9	
After three months but within one year	180.2		175.2	
After one year but within five years	485.6		429.7	
After five years	1,117.7		1,041.2	
		2,864.5		2,839.9
Geographic analysis				
The Netherlands	896.5		1,182.8	
Other EU countries	1,936.7		1,619.5	
Non-EU countries	31.3		37.6	
		2,864.5		2,839.9
Interest-bearing securities				
This item is made up as follows:				
Listed Dutch government bonds	1,171.9		1,000.5	
Other listed bonds	531.1		559.5	
Other interest-bearing securities	0.3		30.9	
		1,703.3		1,590.9

Banking operations

In millions of euros		31/12/2004		31/12/2003
Investment portfolio, fixed-income securities				
Opening balance	1,552.6		1,409.0	
Purchases	502.7		810.3	
Group changes				
Repayments	-322.0		-199.5	
Sales	-125.9		-467.2	
		1,607.4		1,552.6
The difference between redemption value and cost as at the balance sheet date is	-89.0		-67.9	
Fixed-income securities furnished as security, and therefore not at the company's disposal, amounted to	290.0		139.6	
Investments				
This item is made up as follows:				
Listed shares	32.2		17.5	
Non-listed shares	2.2		2.6	
Participating interests	3.3		7.6	
Land & buildings	27.3		20.3	
		65.0		48.0
Investment portfolio, shares				
Opening balance	6.9		10.4	
Purchases	0.1		15.5	
Sales	-3.0		-15.5	
Revaluation and other	0.2		-3.5	
		4.2		6.9

Banking operations

In millions of euros	31/12/2004		31/12/2003	
Tangible fixed assets				
This item is made up as follows:				
Data processing equipment	17.9		18.2	
Other machinery and equipment	16.8		14.2	
		34.7		32.4
Opening balance	32.4		33.7	
Additions	8.9		7.7	
Disposals	-0.4		-3.9	
Depreciation	-6.2		-5.1	
		34.7		32.4
The total cost of tangible fixed assets at year-end amounted to	71.1		62.4	
Accumulated depreciation at year-end totalled	-36.4		-30.0	
Other assets				
Amounts receivable arising out of securities transactions not settled	19.8		24.5	
Balance of forward exchange transactions and other debtors	75.7		154.6	
		95.5		179.1
Prepayments and accrued income				
This item consists of prepaid expenses and income receivable but not yet invoiced		118.8		113.7
Total assets, banking operations		5,111.3		5,043.7

Group capital and reserves

In millions of euros		31/12/2004		31/12/2003
LIABILITIES				
Shareholders' funds				
Opening balance		2,243.7		1,713.0
Movements				
Movements in the value of variable-yield securities	371.5		362.8	
Realised capital gains and losses on variable-yield securities, posted to profit and loss account	-194.1		-6.2	
Permanent impairments, posted to profit and loss account	-		243.4	
Taxes related to above movements	-94.0		-12.4	
Other	20.0		-	
		103.4		587.6
Addition to share premium account		-		47.3
Retained profit		302.0		-104.0
Dividend payment charged to reserves		-0.2		-0.2
Closing balance		2,648.9		2,243.7
Shareholders' funds, insurance operations	2,267.0		1,872.5	
Shareholders' funds, banking operations	381.9		371.2	
		2,648.9		2,243.7

The addition to the share premium account comprises an amount equal to the value of a warrant. This warrant is linked to the € 250 million subordinated loan. The warrant has a term of thirty-five years, starting from 2003, with an option to add a further term of twenty-five years, and entitles the holder to 270,861 Delta Lloyd NV ordinary shares with a face

Group capital and reserves

In millions of euros	31/12/2004	31/12/2003

value of € 9.08 each. As from the time the Delta Lloyd NV ordinary shares are listed on an official stock exchange, the convertible preference A shares may be exchanged for Delta Lloyd NV ordinary shares on a one-for-one basis, subject to an additional payment of € 1,730.42 per share to be converted. As far as possible, this additional payment will be offset against the balance of the undated subordinated convertible loan.

The conversion price will be adjusted upon the issue of Delta Lloyd NV ordinary shares in the event of Delta Lloyd NV restructuring its share capital, or in the event of the Delta Lloyd NV ordinary shares outstanding being split into ordinary shares of a lower face value.

Subordinated loans	413.2	408.2

This item includes the following loans:

Stichting Nuts Ohra
A 2.5% undated € 489.9 million subordinated convertible loan, with a market value of € 172.4 million on the date of issue of the loan.

A 5% 30-year € 21.7 million subordinated loan cum warrant, available for drawing in five tranches of € 4.3 million each, beginning on 1 September 2003 and ending on 7 May 2007. The loan matures on 1 May 2038, and the warrant entitles the holder to 23,553

Group capital and reserves

In millions of euros		31/12/2004		31/12/2003
Delta Lloyd NV ordinary shares with a face value of € 9.08 each.				
ABN AMRO Bank An undated subordinated loan whose market value is equal to its face value of € 22.2 million, and which bears interest at 7.4%.				
Aviva plc A 5% 30-year € 250 million subordinated loan cum warrant. The combined market value of the subordinated loan and the warrant is equal to the year-end face value of the subordinated loan (2004: € 203.2 million; 2003: € 202.7 million).				
Other loans The remaining loans have an average interest rate of 7.5% and an average remaining term to maturity of 5.8 years.				
Fund for general banking risks				
Opening balance	2.6		3.3	
Deferred tax liability transferred	1.1		0.4	
Transfer to profit and loss account	-3.2		-1.1	
Closing balance		0.5		2.6
Total group capital and and reserves		3,062.6		2,654.5

Group capital and reserves

In millions of euros	31/12/2004		31/12/2003	
Solvency, insurance operations				
Current level	3,038.3		2,723.5	
Required statutory level	1,314.2		1,240.3	
Margin		1,724.1		1,483.2
The solvency level available in the insurance operations of Delta Lloyd NV, expressed as a percentage of the statutory solvency level, is	231.2			219.6
Current solvency	3,038.3		2,723.5	
Internally required solvency	1,971.3		1,860.5	
Solvency margin		1,067.0		863.0
Capital adequacy, banking operations				
Current tier 1 capital	263.4		263.4	
Current qualifying capital	320.6		318.5	
Required qualifying capital	250.5		264.9	
Capital adequacy margin		70.1		53.6
BIS-Tier 1 ratio (%)		11.2		12.6
BIS-ratio (%)		12.8		14.4
Statutory BIS-ratio (%)		10.0		12.0

The current solvency of Delta Lloyd NV amounts to 188% (2003: 179%) of the solvency required by the regulatory authorities for the banking and insurance sectors.

Insurance operations

In millions of euros		31/12/2004		31/12/2003
Technical provisions				
Unearned premiums and unexpired risks				
Provision for unearned premiums and unexpired risks	332.8		313.7	
Provision for catastrophes	-		1.7	
Actuarial provision for medical expenses	97.2		91.0	
		430.0		406.4
Life insurance				
Provision for life insurance	18,646.5		17,607.6	
Unamortised interest rate rebates	-337.8		-368.0	
		18,308.7		17,239.6
Claims outstanding				
Provision for claims outstanding	1,599.9		1,501.1	
Provision for other risks	48.1		97.7	
		1,648.0		1,598.8
Policyholders' profit-sharing and rebates		258.1		231.1
Sub-total		20,644.8		19,475.9
Reinsurers' share of technical provisions				
Unearned premiums and unexpired risks	-6.5		-7.9	
Life insurance	-1,155.0		-1,236.0	
Claims outstanding	-124.7		-111.1	
Policyholders' profit-sharing and rebates	-0.9		-0.9	
		-1,287.1		-1,355.9

Insurance operations

In millions of euros		31/12/2004		31/12/2003
Technical provisions for policies where the investment risk is for the account and risk of policyholders and for savings fund investments				
For policies where the investment risk is for the account and risk of policyholders	9,065.8		8,181.3	
For savings fund investments	592.9		551.4	
		9,658.7		8,732.7
Reinsurers' share				
For policies where the investment risk is for the account and risk of policyholders		-34.7		-28.3
Total technical provisions		28,981.7		26,824.4
Total technical provisions, opening balance		26,824.4		21,982.6
Group changes		-		3,224.7
Life business technical account				
Change in technical provision, net of reinsurance	2,023.8		1,565.3	
Profit-sharing and rebates	-8.2		-70.7	
Movement in interest rate rebate	30.2		45.4	
		2,045.8		1,540.0
General business technical account				
Unearned premiums	24.6		9.7	
Claims outstanding	82.3		33.7	
		106.9		43.4

Insurance operations

In millions of euros	31/12/2004		31/12/2003	
Health business technical account				
Unearned premiums	3.1		17.0	
Claims outstanding	1.5		16.7	
		4.6		33.7
Total technical provisions, closing balance		28,981.7		26,824.4
Provision for catastrophes				
Opening balance	1.7		4.3	
Transfers	-		-2.6	
Releases credited to profit and loss account	-1.7		-	
		-		1.7
Interest rate rebates				
Opening balance	368.0		413.4	
Rebates granted	33.6		23.6	
Amortisation	-63.8		-69.0	
Closing balance		337.8		368.0

The technical provision for life insurance and the provision for sundry purposes include amounts relating to pension schemes for Delta Lloyd NV employees.

	31/12/2004	31/12/2003
Life insurance	904.4	810.2
Sundry purposes	10.1	8.4

Insurance operations

In millions of euros		31/12/2004		31/12/2003
Other provisions				
Provision for pensions				
Opening balance	49.2		48.6	
Additions	-0.3		3.6	
Withdrawals	-3.1		-3.0	
Releases	-0.3		-	
		45.5		49.2
Reorganisation provision				
Opening balance	49.8		18.5	
Additions	8.6		39.6	
Withdrawals	-3.2		-8.1	
Releases	-1.4		-0.2	
		53.8		49.8
Provision for sundry purposes				
Opening balance	5.4		-	
Additions	6.4		3.0	
Withdrawals	-2.1		2.8	
Releases	-		-0.4	
		9.7		5.4
		109.0		104.4

Of the other provisions, an amount of € 74.6 million (2003: € 52.5 million) is of a short-term nature.

In millions of euros		31/12/2004		31/12/2003
Creditors				
Arising out of direct insurance operations				
Intermediaries	197.8		252.4	
Policyholders	842.5		922.6	
		1,040.3		1,175.0

Insurance operations

In millions of euros	31/12/2004		31/12/2003	
The amounts payable to policyholders are due as follows:				
Within one year	642.4		691.5	
After one year but within five years	28.8		3.3	
After five years	171.3		227.8	
		842.5		922.6
For amounts payable after one year the average rate of interest is (%)	5.81		6.50	
Other liabilities				
Other long-term liabilities				
Maturing after one year but within five years	50.5		81.4	
Maturing after five years	36.3		40.0	
		86.8		121.4
The average interest rate is: (%)	3.96		4.20	
Current liabilities				
Dividend	0.2		0.2	
Corporation tax	201.2		160.8	
Several taxes and social security contributions	41.1		35.5	
Financial institutions	177.0		74.1	
Other	429.5		532.5	
		849.0		803.1
		935.8		924.5
Accruals and deferred income				
Provision for yield differentials	518.8		242.6	
Other	299.8		309.2	
		818.6		551.8

Insurance operations

In millions of euros	31/12/2004		31/12/2003	
Off-balance sheet commitments				
Property under construction	11.3		3.7	
Commitments relating to investments in projects for sale	24.2		13.2	
Commitments to invest in other categories	8.2		69.5	
Rental commitments	64.5		68.7	
Pledge of securities portfolio for NUTS OHRA Beheer BV pension contract	11.8		11.2	
Contractual guarantees and other commitments:				
Maturing within five years	625.1		687.2	
Maturing after five years but within ten years	32.0		63.2	
		777.1		916.7

Several claims have been submitted, all of which are being disputed. On the grounds of legal advice and information obtained, it has been assumed that these claims will not have a significant adverse effect on the company's financial position. Accordingly, no provisions have been made.

Banking operations

In millions of euros	31/12/2004		31/12/2003	
Total liabilities, banking operations				
Banks				
The amounts are due as follows:				
On demand	25.3		74.6	
Within three months	327.5		82.6	
After three months but within one year	15.5		10.3	
After one year but within five years	15.4		12.9	
After five years	0.5		4.0	
		384.2		184.4
Geographic analysis				
The Netherlands	339.8		99.1	
Other EU countries	44.4		85.3	
		384.2		184.4
Customer accounts				
Savings accounts	1,850.7		1,745.5	
Other customers accounts, due as follows:				
On demand	933.2		1,044.4	
Within three months	669.8		808.6	
After three months but within one year	160.5		140.7	
After one year but within five years	266.5		357.9	
After five years	139.4		151.6	
		4,020.1		4,248.7

Other customer accounts includes an amount of € 348.0 million (2002: € 389.8 million) for debt securities.

Banking operations

In millions of euros		31/12/2004		31/12/2003
Other liabilities		94.2		88.5
Accruals and deferred income		40.5		63.8
Provisions				
Provision for sundry purposes				
Opening balance	19.0		20.7	
Transfers	-4.7		-6.5	
Additions	5.1		10.0	
Releases	-2.9		-5.2	
		16.5		19.0
Provision for pension commitments				
Opening balance	9.4		6.9	
Transfers	-1.8		-0.3	
Additions	4.5		2.8	
Releases	-0.9			
		11.2		9.4
Of the provisions, an amount of € 9.2 million (2003: € 4.7 million) is of a short-term nature.				
		27.7		28.4
		4,566.7		4,613.8

Banking operations

In millions of euros	31/12/2004	31/12/2003
Off-balance sheet commitments		
Contingent liabilities	105.5	91.5
This item refers to guarantees issued, suretyship contracts and joint and several liability undertakings.		
Irrevocable facilities	240.0	265.8
This item includes irrevocable credit facilities.		
Currency risks		
This item represents the equivalent in euros of the sum of the assets and liabilities denominated in foreign currencies, as follows:		
Assets	104.8	150.6
Liabilities	79.5	63.7
Assets charged		
Some assets have been pledged as collateral security and are therefore no longer at the company's disposal.	299.4	141.2

Derivatives

In millions of euros

Derivatives are financial instruments embodied in contracts whose value depends on one or more underlying assets, benchmark prices or indexes.

As at the balance sheet date, the terms to maturity and positive replacement values of derivatives were as follows:

Analysis of derivatives by maturity and type	Notional amounts	Notional amounts	Notional amounts	Notional amounts	Positive replacement value
	< 1 year	1 - 5 year	> 5 year	Total	
OTC interest rate contracts					
Forwards	148.4	-	-	148.4	0.9
Swaps	64.9	433.5	1,404.0	1,902.4	0.2
Futures	1.0	-	-	1.0	-
OTC currency contracts (net)					
Forwards	7.1	-	-	7.1	0.1
Exchange-traded share contracts					
Options purchased	25.0	-	-	25.0	0.9
Options written	4.8	-	-	4.8	-

In millions of euros		2004		2003
Investment income				
The Netherlands				
Land & buildings	129.7		92.4	
Other investments	1,118.4		915.3	
		1,248.1		1,007.7
Realised and unrealised gains and losses on investments for the account and risk of policyholders and on savings fund investments		375.1		340.8
		1,623.2		1,348.5
Other EU countries				
Land & buildings	22.4		23.2	
Other investments	333.8		346.4	
		356.2		369.6
Realised and unrealised gains and losses on investments for the account and risk of policyholders and on savings fund investments		30.6		13.9
		386.8		383.5
Non-EU countries				
Land & buildings	1.1		1.2	
Other investments	13.8		13.3	
		14.9		14.5
Realised and unrealised gains and losses on investments for the account and risk of policyholders and on savings fund investments		0.8		-1.3
		2,025.7		1,745.2

In millions of euros

Investment results on variable-yield securities

	2004	2003	2002	2001	2000
Land & buildings					
Direct investment income (gross)	107.7	95.0	116.6	126.8	117.3
Unrealised gains and losses on investments	5.0	153.9	25.3	42.0	60.0
Realised gains and losses on investments	45.4	5.7	-1.5	0.9	1.1
Direct investment management expenses	-4.9	-5.3	-5.0	-2.0	-1.2
Total land & buildings	**153.2**	**249.3**	**135.4**	**167.7**	**177.2**
Shares					
Direct investment income (gross)	154.7	138.8	297.5	324.3	280.7
Unrealised gains and losses on investments	319.3	174.7	-707.8	-949.1	197.0
Realised gains and losses on investments	148.7	0.6	-179.6	140.5	88.5
Direct investment management expenses	-16.9	-15.8	-16.0	-18.1	-15.1
Total shares	**605.8**	**298.3**	**-605.9**	**-502.4**	**551.1**
Total land & buildings and shares					
Direct investment income (gross)	262.4	233.8	414.1	451.1	398.0
Unrealised gains and losses on investments	324.3	328.6	-682.5	-907.1	257.0
Realised gains and losses on investments	194.1	6.3	-181.1	141.4	89.6
Direct investment management expenses	-21.8	-21.1	-21.0	-20.1	-16.3
Total	759.0	547.6	-470.5	-334.7	728.3

In millions of euros		2004		2003
The part of income from land & buildings included in imputed market-related rental income in respect of property used in operations amounted to		12.8		12.5
Investment income represents the balance of rental income less operating expenses, dividends, interest on fixed-income investments less additions to the provision for investment risks and relevant movements in the balance sheet item yield differentials and interest on current assets.				
The income from savings fund investments amounted to		19.9		18.7
Investment income is allocated to the non-technical account in line with the asset allocation.				
Investment expenses				
Administrative expenses and interest charges	-224.4		-199.6	
Exceptional impairments in value	-60.2		-244.2	
		-284.6		-443.8
Interest charges include an amount of € 12.5 million (2003: € 8.3 million) relating to a loan from Aviva plc.				
Other income				
This item includes the profit or loss on property development projects for sale, the proceeds of services rendered and income of a non-recurring nature.		50.7		11.2

In millions of euros		2004		2003
Other expenses				
Other expenses are expenses of a non-recurring nature.		-103.3		-92.9
Exceptional income and expenses				
This item comprises amounts related to the discontinuation of units in Belgium.		-		-27.5
Taxation				
Tax on result (nominal 34.5%)	141.2		-64.8	
Tax relief	-2.5		-27.1	
Tax-exempt profit constituents	-59.2		1.0	
Effect of restating deferred tax liability at present value	-16.1		-6.0	
Other non-deductible amounts	16.0		4.0	
Effect of reduction of Dutch corporation tax rate	70.8		-	
Other [1]	-52.0		1.1	
Effective tax charge		98.2		-91.8

1) This includes the effects of final tax assessments for previous years.

consolidated life business technical account

In millions of euros		2004		2003
LIFE BUSINESS TECHNICAL ACCOUNT				
Earned premiums, net of reinsurance				
Gross written premiums	3,647.6		3,152.5	
Outward reinsurance premiums	-102.3		-133.5	
		3,545.3		3,019.0
Allocated investment income		1,610.3		1,171.3
Other technical income, net of reinsurance		33.6		12.7
Benefit payments, net of reinsurance				
Gross payments	-2,403.4		-2,446.5	
Reinsurers' share	142.8		258.2	
		-2,260.6		-2,188.3
Movement in technical provisions, net of reinsurance				
Provision for life insurance				
Gross	-1,991.5		-1,436.8	
Reinsurers' share	-32.3		-128.6	
		-2,023.8		-1,565.3
Policyholders' profit-sharing and rebates		-149.0		-182.6
Operating expenses		-456.2		-449.5
Other technical expenses, net of reinsurance		-34.2		-10.4
Result on life business technical account		265.4		-193.1

In millions of euros

Analysis of gross premium income by product

	With-profits policies	Without-profits policies	Investments for the account and risk of holders of with-profits policies	Investments for the account and risk of holders of without-profits policies	Total
2004 financial year					
Individual insurance contracts					
Annual premiums	427.5	83.6	40.9	647.0	
Single premiums	722.7	205.5	23.0	282.0	
	1,150.2	289.1	63.9	929.0	2,432.2
Group insurance contracts					
Annual premiums	305.6	12.0	140.9	70.5	
Single premiums	433.9	2.9	217.7	31.9	
	739.5	14.9	358.6	102.4	1,215.4
	1,889.7	304.0	422.5	1,031.4	3,647.6
2003 financial year					
Individual insurance contracts					
Annual premiums	488.6	70.8	100.2	548.9	
Single premiums	451.1	190.2	9.7	226.1	
	939.7	261.0	109.9	775.0	2,085.6
Group insurance contracts					
Annual premiums	295.8	19.2	161.9	62.3	
Single premiums	247.5	16.8	241.3	22.1	
	543.3	36.0	403.2	84.4	1,066.9
	1,483.0	297.0	513.1	859.4	3.152.5

In millions of euros		2004		2003
Analysis of gross premium income (by product and by region)				
The Netherlands				
Individual insurance contracts	1,481.7		1,341.1	
Group insurance contracts	976.9		828.2	
		2,458.6		2,169.3
Other EU countries				
Individual insurance contracts	928.5		721.6	
Group insurance contracts	227.0		206.9	
		1,155.5		928.5
Non-EU countries				
Individual insurance contracts	22.1		22.8	
Group insurance contracts	11.4		31.9	
		33.5		54.7
		3,647.6		3,152.5
Other technical income, net of reinsurance		33.6		12.7
Reinsurance income and expenses		8.3		-3.9

In millions of euros		2004		2003
Policyholders' profit-sharing and rebates				
Profit-sharing	-85.2		-113.6	
Amortisation of interest rate rebates	-63.8		-69.0	
		-149.0		-182.6

Policyholders' profit-sharing is comprised of the amounts accounted for pursuant to excess interest rate clauses and other forms of profit-sharing.

Operating expenses				
Acquisition costs	-237.9		-211.5	
Movement in deferred acquisition costs	4.2		-19.6	
		-233.7		-231.1
Administrative expenses, staff costs and depreciation of machinery and equipment		-246.9		-246.2
Commission and profit-sharing received from reinsurers		24.4		27.8
		-456.2		-449.5

consolidated technical general business account

In millions of euros		2004		2003
GENERAL BUSINESS TECHNICAL ACCOUNT				
Earned premiums, net of reinsurance				
Gross written premiums	1,133.1		978.5	
Outward reinsurance premiums	-76.1		-60.8	
		1,057.0		917.7
Movement in technical provisions for unearned premiums and unexpired risks				
Gross	-25.2		-10.0	
Reinsurers' share	0.6		0.3	
		-24.6		-9.7
Sub-total		1,032.4		908.0
Allocated investment income		63.3		43.9
Claims, net of reinsurance				
Gross claims	-555.7		-551.4	
Reinsurers' share	20.2		20.3	
		-535.5		-531.1
Movement in provision for claims outstanding				
Gross	-101.6		-47.5	
Reinsurers' share	19.3		13.8	
		-82.3		-33.7
Sub-total		-617.8		-564.8
Operating expenses		-362.3		-346.5
Result on general business technical account		115.6		40.7

notes to the consolidated general business technical account

In millions of euros

Analysis of technical account by classes of business in 2004	Personal accident / Health	Motor - 3rd party liability	Motor - other	Marine	Fire and other property damage	General liability	Other	Total
Written premiums	168.4	236.2	127.3	72.0	385.2	56.7	87.2	1,133.1
Earned premiums	168.3	227.4	124.9	71.2	380.0	56.1	80.0	1,107.9
Investment income	20.3	17.1	1.8	3.4	10.1	9.5	1.2	63.4
Claims	-86.8	-164.5	-78.8	-41.9	-204.7	-55.6	-25.0	-657.3
Operating expenses	-53.7	-64.5	-37.0	-22.0	-133.1	-25.6	-26.4	-362.3
Reinsurance income and expenses	-0.9	0.8	7.1	-0.7	-20.6	5.9	-27.7	-36.1
Technical result	**47.2**	**16.3**	**18.0**	**10.0**	**31.7**	**-9.7**	**2.1**	**115.6**
Analysis of premium income (by region)								
The Netherlands	157.8	227.3	127.3	71.7	375.4	56.7	86.4	1,102.6
Non-EU countries	10.6	8.9	-	0.3	9.8	-	0.8	30.5
Total premium income	168.4	236.2	127.3	72.0	385.2	56.7	87.2	1,133.1

Analysis of technical account by classes of business in 2003	Personal accident / Health	Motor - 3rd party liability	Motor - other	Marine	Fire and other property damage	General liability	Other	Total
Written premiums	137.9	195.4	119.2	45.1	361.2	57.4	62.3	978.5
Earned premiums	138.6	191.2	114.2	44.3	354.3	57.3	68.6	968.5
Investment income	15.2	10.5	1.0	1.2	9.0	5.8	1.3	44.0
Claims	-98.8	-132.1	-87.5	-26.2	-197.8	-50.3	-6.2	-598.9
Operating expenses	-49.5	-58.6	-35.4	-15.0	-122.5	-26.9	-38.6	-346.5
Reinsurance income and expenses	-1.7	-1.9	0.0	1.3	-9.4	-2.0	-12.7	-26.4
Technical result	**3.8**	**9.0**	**-7.7**	**5.6**	**33.6**	**-16.1**	**12.4**	**40.7**
Analysis of premium income (by region)								
The Netherlands	137.2	185.3	118.7	44.7	350.1	57.4	61.6	955.0
Non-EU countries	0.7	10.1	0.5	0.4	11.1	-	0.7	23.5
Total premium income	137.9	195.4	119.2	45.1	361.2	57.4	62.3	978.5

All amounts are gross amounts; reinsurance income and expenses are netted off.

In millions of euros		2004		2003
Claims				
Claims handling expenses form part of claims incurred				
Gross claims incurred	-627.4		-570.7	
Claims handling expenses	-29.9		-28.2	
		-657.3		-598.9
Operating expenses				
Acquisition costs	-255.3		-225.8	
Movement in deferred acquisition costs	-0.3		1.5	
		-255.6		-224.3
Administrative expenses, staff costs and depreciation of machinery and equipment		-118.6		-133.2
Commission and profit-sharing received from reinsurers		11.9		11.0
		-362.3		-346.5

Commission expense is included in operating expenses.

consolidated health business technical account 1)

In millions of euros		2004		2003
HEALTH BUSINESS TECHNICAL ACCOUNT				
Earned premiums, net of reinsurance				
Gross written premiums 2)	704.2		707.7	
Contributions to the Health Insurance Funds	130.2		143.0	
Reinsurers' share	-0.9		-4.3	
		833.5		846.4
Movement in technical provisions for unearned premiums and unexpired risks				
Gross	-3.1		-17.9	
Reinsurers' share	-		0.9	
		-3.1		-17.0
Sub-total		830.4		829.4
Allocated investment income		15.6		12.7
Income from services		0.9		0.9
Claims, net or reinsurance				
Gross claims	-757.0		-759.1	
Reinsurers' share	2.8		2.5	
		-754.2		-756.6
Movement in provision for claims outstanding				
Gross claims	7.2		-13.5	
Reinsurers' share	-8.7		-3.2	
		-1.5		-16.7
Sub-total		-755.7		-773.3
Operating expenses		-84.4		-86.0
Other technical expenses, net of reinsurance		-2.8		-1.6
Result on health business technical account		4.0		-17.9

1) This account includes the private health insurance contracts as well as the financial flows from the WTZ policies (standard package policies) that form part of the personal accident and health class of general business.
2) Substantially all the premiums were written in the Netherlands.

notes to the consolidated health business technical account

In millions of euros		2004		2003
Claims				
Claims handling expenses form part of claims incurred:				
Gross claims incurred	-729.4		-750.1	
Claims handling expenses	-20.5		-22.5	
		-749.9		-772.6
Operating expenses				
Acquisition costs	-34.9		-38.4	
Administrative expenses, staff costs and depreciation of machinery and equipment	-49.5		-47.6	
		-84.4		-86.0

Commission expense is included in operating expenses.

consolidated profit and loss account, insurance broking operations

In millions of euros	2004	2003
INSURANCE BROKING OPERATIONS		
Commission income	22.9	33.0
Expenses	-22.4	-34.7
Result before taxation	0.5	-1.7

consolidated profit and loss account, banking operations

In millions of euros		2004		2003
BANKING OPERATIONS				
Interest income	228.9		238.2	
Interest expense	-126.5		-136.5	
		102.4		101.7
Commission income	70.4		58.9	
Commission expense	-18.0		-17.2	
		52.4		41.7
Income from securities and participating interests	1.5		2.8	
Result on financial transactions	13.6		11.4	
Other income	6.5		11.2	
		21.6		25.4
Total income		176.4		168.8
Expenses	138.4		129.1	
Movements in the value of debtors	-0.8		-5.3	
Other expenses	18.2		30.3	
Total		155.8		154.1
Operating result		20.6		14.7
Interest earned on Group capital and reserves		3.9		5.3
Operating result before taxation		24.5		20.0

consolidated profit and loss account, banking operations

In millions of euros		2004		2003
The following entities make up Delta Lloyd NV's banking operations:				
Result before taxation				
Delta Lloyd Banking	19.4		11.6	
OHRA Hypothekenfonds	1.8		3.5	
OHRA Mortgage Bank	1.5		3.3	
Gries & Heissel Bankiers	1.8		1.6	
		24.5		20.0

In millions of euros		2004		2003
Expenses and commission				
Salaries and wages	331.3		326.7	
Pension charges	68.0		65.7	
Other social security charges	46.3		40.3	
Other expenses	267.8		260.3	
Total expenses		713.4		693.0
Total commissions		528.0		493.8
		1,241.4		1,186.8

Other expenses include € 12.8 million (2003: € 12.5 million) in rental for own buildings. Commission paid to field staff is included in the item commission.

Expenses are accounted for in the financial statements as follows:

		2004		2003
Benefit payments and claims		50.4		50.7
Operating expenses				
Life business technical account	456.2		449.5	
General business technical account	362.3		346.5	
Health business technical account	84.4		93.0	
		902.9		889.0
Investment expenses		95.5		47.9
Operating expenses, banking operations		155.8		154.1
Operating expenses, holding company		14.2		10.4
Operating expenses, insurance broking operations		22.6		34.7
		1,241.4		**1,186.8**

	2004		2003	
Permanent staff at year-end (in FTEs)				
Delta Lloyd Insurance	2,134		2,141	
OHRA Insurance	974		901	
ABN AMRO Insurance	584		528	
Delta Lloyd Banking	1,217		1,218	
Delta Lloyd Germany	816		863	
Delta Lloyd Group and other	269		399	
Delta Lloyd Life Belgium	305		294	
ENNIA Caribe	160		170	
		6,459		6,514

Option rights to Aviva plc shares

In 2004, Delta Lloyd NV staff acquired no (2003: 2,749,349) Aviva plc share options. In 2004, no options (2003: 209,049) were granted to the Executive Board members and other senior executives. At year-end 2004, a total of 3,477,561 (2003: 5,948,613) Aviva plc share options were outstanding.

Delta Lloyd Group Phantom Option Plan

Under the Delta Lloyd Group Phantom Option Plan performance units are awarded to the management. The value of the performance units is based on the development of the embedded value relative to a peer group chosen in advance. Subject to the fulfilment of the set performance criteria, the phantom options will vest three years after being granted, and can be exercised during the subsequent five-year period. In 2004, 3,392,265 Phantom units were awarded to Delta Lloyd NV staff.

remuneration of the Executive Board

The amounts charged in the financial year for remuneration to current and former Executive Board members and current and former Supervisory Board members as referred to in section 2:402 of the Netherlands Civil Code amounted to € 2.3 million (2003: € 2.1 million) and € 0.3 million (2003: € 0.2 million) respectively.

Pursuant to Delta Lloyd's remuneration policy, the remuneration of the Executive Board members can be adjusted once every two years (as far as basic salaries are concerned).

Delta Lloyd rewards its Executive Board members based on job weight (graded using the Hay method) and the remuneration market. To this end, use is made of the remuneration benchmark produced by Hay Management Consultants every year. The aim is to set remuneration in such a way that some 25% of the reward packages in the peer group used for comparative purposes are higher than the Delta Lloyd package.

Remuneration policy is set by the Supervisory Board's Remuneration Committee. In 2004, the basic salary was raised by 5%. The next adjustment will take place with effect from 1 January 2006.

A performance-related arrangement is used for variable remuneration. For the individual members and the chairman of the Executive Board this arrangement is subject to a maximum of 50% and 60% respectively of twelve monthly salaries. Based on the achievement of personal and group performance targets in the 2003 financial year, the Remuneration Committee decided to award the chairman and the individual members of the Executive Board variable remuneration of 58.5% and 48.75%, respectively.

remuneration of the Executive Board

In thousands of euros		2004		2003
Executive Board members' salaries and bonuses				
N.W. Hoek				
Salary	488.9		465.6	
Bonus	234.1		120.0	
		723.0		585.6
R.L.M. Hillebrand				
Salary	386.0		367.6	
Bonus	154.0		42.9	
		540.0		410.5
P.J.W.G. Kok				
Salary	386.0		367.6	
Bonus	154.0		78.9	
		540.0		446.5
P.K. Medendorp				
Salary	386.0		367.6	
Bonus	154.0		80.0	
		540.0		447.6
C.H. Tesselhoff 1)				
Salary	-		98.0	
Bonus	-		84.2	
		-		182.2
		2,343.0		2,072.4

1) Retired from the Board with effect from 1 April 2003

In thousands of euros

Executive Board members' pension entitlements

	Age as at 31/12/2004	Years of service with the group as at 31/12/2004	Accrued in 2004	Total entitlements accrued as at 31/12/2004
N.W. Hoek	48	7	18	183
R.L.M. Hillebrand	49	21	15	170
P.J.W.G. Kok	50	5	15	143
P.K. Medendorp	50	10	14	149

Aviva plc share options

	Balance as at 1 January 2004	Granted	Exercised	Expired	Balance as at 31 December 2004
Number of options					
N.W. Hoek	206,694	-	-		206,694
R.L.M. Hillebrand	62,032	-	-		62,032
P.J.W.G. Kok	106,088	-	-		106,088
P.K. Medendorp	80,271	-	-		80,271
Total	455,085	-	-		455,085

Phantom Option Plan

	Balance as at 1 January 2004	Granted	Exercised	Balance as at 31 December 2004
Number of options				
N.W. Hoek	-	157,226	-	157,226
R.L.M. Hillebrand	-	101,561	-	101,561
P.J.W.G. Kok	-	101,561	-	101,561
P.K. Medendorp	-	101,561	-	101,561
Total	-	461,909	-	461,909

Under the Delta Lloyd Groep Phantom Option Plan performance units are awarded to the management. The value of the performance units is based on the development of the embedded value relative to a peer group chosen in advance.

Subject to the fulfilment of the set performance criteria, the phantom options will vest three years after being granted, and can be exercised during the subsequent five-year period.

remuneration of the Supervisory Board

In thousands of euros		2004		2003
J.A.N. van Dijk				
Remuneration	40.0		34.0	
Other	7.5		7.7	
		47.5		41.7
V.A.M. van der Burg				
Remuneration	32.5		25.0	
Other	5.7		5.9	
		38.2		30.9
C.P.J. Appeldoorn				
Remuneration	30.0		22.7	
Other	2.5		2.7	
		32.5		25.4
H.C. Broeksma 1)				
Remuneration	30.0		22.7	
Other	7.0		7.3	
		37.0		30.0
R. Harvey				
Remuneration	-		-	
Other	-		-	
		-		-
R.H.P.W. Kottman 1)				
Remuneration	30.0		22.7	
Other	4.7		5.0	
		34.7		27.7
J. Oskam 2)				
Remuneration	11.3		22.7	
Other	1.2		2.7	
		12.5		25.4
Ph. G. Scott				
Remuneration	-		-	
Other	-		-	
		-		-

remuneration of the Supervisory Board

In thousands of euros		2004		2003
P.G. Boumeester				
Remuneration	30.0		-	
Other	0.0		-	
		30.0		-
M.H.M. Smits				
Remuneration	30.0		-	
Other	2.2		-	
		32.2		-
		264.6		181.1

No bonuses, loans or mortgages have been extended to current or former Supervisory Board members. Nor are there any pension entitlements or option schemes as far as any current or former members of the Supervisory Board are concerned.

1) Excluding remuneration received as a member of the Banking Division's Supervisory Board.
2) Supervisory Board member until 1 May 2003.

company balance sheet after profit appropriation

In millions of euros		31/12/2004		31/12/2003
ASSETS				
Intangible fixed assets				
Goodwill		157.1		164.5
Investments				
Participating interests in group companies and other investments P142	2,806.8		2,223.4	
Other financial investments P143	249.6		298.9	
		3,056.4		2,522.3
Other debtors		87.5		82.2
Other assets				
Tangible fixed assets P143		-		53.6
Prepayments and accrued income		1.5		11.2
TOTAL		3,302.5		2,833.8
LIABILITIES				
Shareholders' funds 1)				
Share capital P145	116.4		116.4	
Share premium account P146	91.8		91.8	
Participating interests reserve P146	796.2		662.2	
Revaluation reserve P147	1,037.2		933.8	
Other reserves P147	525.0		439.5	
Dividend reserve P147	82.3		-	
		2,648.9		2,243.7
Subordinated convertible loan		384.4		379.5
Provisions P148		50.3		9.2
Creditors P148		151.4		176.2
Accruals and deferred income		67.5		25.2
TOTAL		3,302.5		2,833.8

1) Capital and reserves amount to:	3,033.3	2,623.2

company profit and loss account

In millions of euros		2004		2003
PROFIT AND LOSS ACCOUNT				
Result on participating interests after taxation	319.8		-67.8	
Other results after taxation	-17.8		-36.2	
Result after taxation		302.0		-104.0
Profit appropriation				
Addition to participating interests reserve	134.0		-221.7	
Addition to dividend reserve	82.3		-	
Addition to other reserves	85.7		117.7	
		302.0		-104.0

notes to the company balance sheet and profit and loss account

In millions of euros		31/12/2004		31/12/2003
General				
Information on the accounting policies is set out on pages 77 to 87 inclusive.				
Investments				
Participating interests				
Participating interests in group companies				
Share capital	3,404.2		2,897.2	
Subordinated loans	68.6		68.5	
Debtors / creditors	678.1		-122.7	
		4,150.9		2,843.0
Long-term liabilities		-1,348.8		-635.3
Other participating interests		4.7		15.7
		2,806.8		2,223.4
Opening balance	2,223.4		1,462.6	
Investments in participating interests	76.0		258.9	
Result on participating interests	319.1		276.5	
Movement in debtors / creditors	-87.4		136.1	
Other movements	275.7		89.3	
		2,806.8		2,223.4

Long-term liabilities are due after five years or more.

In millions of euros		2004		2003
Other financial investments				
Shares	249.6		298.9	
		249.6		298.9
		3,056.4		2,522.3
The historical cost of shares held at year-end amounted to	182.5		311.3	
Other assets				
Tangible fixed assets				
Data processing equipment	-		12.0	
Other machinery and equipment	-		41.6	
		-		53.6
The total purchase price of tangible fixed assets at year-end amounted to	-		107.3	
Accumulated depreciation of tangible fixed assets at year-end amounted to	-		-53.7	
Other debtors include a deferred tax asset in the amount of	-		0.1	
The face value amounts to	15.1		0.1	

In millions of euros	2004	2003

Shareholders' funds

Paid-up and called-up capital

The authorised capital is divided into five million ordinary shares of € 9.08 each, 1.5 million convertible preference A shares of € 9.08 each and 170,000 preference B shares of € 453.78 each.

At the end of the 2004 financial year, ordinary shares and preference shares in issue had a face value of € 116.4 million (year-end 2003: € 116.4 million).

Share capital

In millions of euros	31/12/2004			31/12/2003		
	Authorised capital	Unissued shares	Issued and paid up	Authorised capital	Unissued shares	Issued and paid up
Ordinary shares	45.4	15.4	30.0	45.4	15.4	30.0
Convertible preference A shares	13.6	4.3	9.3	13.6	4.3	9.3
Preference B shares	77.1	-	77.1	77.1	-	77.1
Total shares	136.1	19.7	116.4	136.1	19.7	116.4

As from the time the Delta Lloyd NV ordinary shares are listed on an official stock exchange, the convertible preference A shares may be exchanged for Delta Lloyd NV ordinary shares on a one-for-one basis, subject to an additional payment of € 1,730.42 per converted share. As far as possible, this additional payment will be set off against the balance of the undated subordinated convertible loan.

The conversion price will be adjusted upon the issue of Delta Lloyd NV ordinary shares in the event of Delta Lloyd NV restructuring its share capital, or in the event of the Delta Lloyd NV ordinary shares outstanding being split into ordinary shares of a lower face value.

In millions of euros		31/12/2004		31/12/2003
Shareholders' funds				
Share premium account				
Opening balance	91.8		44.5	
Movements	0.0		47.3	
Closing balance		91.8		91.8

The addition to the share premium account comprises an amount equal to the value of a warrant. This warrant is linked to the € 250 million subordinated loan. The warrant has a term of thirty-five years, with an option to add a further term of twenty-five years, and entitles the holder to 270,861 Delta Lloyd NV ordinary shares with a face value of € 9.08 each.

Participating interests reserve				
Opening balance	662.2		1,267.2	
Effect of changes in accounting policies	-		-383.3	
Adjusted opening balance	662.2		883.9	
Transfer from retained profits	134.0		-221.7	
Closing balance		796.2		662.2

In millions of euros		31/12/2004		31/12/2003
Revaluation reserves				
Opening balance	933.8		90.0	
Effect of changes in accounting policies	-		535.3	
Adjusted opening balance	933.8		625.3	
Movements in the value of investments	-2.0		37.3	
Movements in the value of participating interests	95.9		265.1	
Taxes on the above movements	9.5		6.1	
Closing balance		1,037.2		933.8
Other reserves				
Opening balance	439.5		194.9	
Effect of changes in accounting policies	-		125.2	
Adjusted opening balance	439.5		320.1	
Profit appropriation	85.7		117.7	
Dividend payment	-0.2		-0.2	
Other movements	0.0		1.9	
Closing balance		525.0		439.5
Dividend reserve		82.3		-
Total shareholders' funds		2,648.9		2,243.7

In millions of euros		2004		2003
Provisions				
Provision for sundry purposes				
Opening balance	9.2		9.5	
Transfers	-1.6		-0.3	
Additions	37.8		-	
Releases	-		-	
		45.4		9.2
Provision for deferred tax liabilities				
Opening balance	-			
Transfers	-			
Additions	4.9			
Release	-			
		4.9		
		50.3		

The face value amounts to € 15.1 million.

Creditors				
Dividend	0.2		0.2	
Corporation tax	135.5		147.5	
Sundry taxes and social security contributions	-0.8		4.8	
Other	16.5		23.7	
		151.4		176.2

Result on participating interests after taxation

Of the result on participating interests, an amount of € 316.9 million (2003: € 277.9 million) refers to group companies and € 3.0 million (2003: € 0.8 million) to other participating interests.

		2004		2003
Staff costs				
Salaries and wages	32.9		30.4	
Pension charges	7.2		12.7	
Other social security charges	1.8		1.9	
		41.9		45.0
Permanent staff at year-end (in FTEs)				
Employed by operating entities	114		108	
Employed in group activities	155		291	
		269		399

Off-balance sheet commitments

At year-end, off-balance sheet commitments amounted to € 226.2 million (2003: € 191.5 million). These are included in the amount of € 777.1 million (2003: € 916.7 million) mentioned on page 113.

In order to cover the cost of rebates granted to one of its subsidiary companies, Delta Lloyd NV furnished a guarantee in the amount of € 73.4 million (2003: € 86 million) as at the balance sheet date.
To this end, a mortgage loan portfolio has been pledged as collateral security in favour of Delta Lloyd NV. The guarantee concerned diminishes by € 12 million annually and ends on 31 December 2010.

In addition, joint and several liability undertakings have been issued in respect of a number of participating interests not engaged in insurance or banking operations as referred to in section 2:403 (1.f.) of the Netherlands Civil Code.

Amsterdam, 24 February 2005

SUPERVISORY BOARD

J.A.N. (Jacques) van Dijk, chairman
V.A.M. (Vincent) van der Burg, deputy chairman
C.P.J. (Peter) Appeldoorn
P.G. (Pamela) Boumeester
H.C. (Caspar) Broeksma
R. (Richard) Harvey
R.H.P.W. (René) Kottman
Ph.G. (Philip) Scott
M.H.M. (Marcel) Smits

EXECUTIVE BOARD

N.W. (Niek) Hoek, chairman
R.L.M. (Rob) Hillebrand
P.J.W.G. (Peter) Kok
P.K. (Paul) Medendorp

Profit appropriation and dividend

PROFIT APPROPRIATION PROVISIONS IN THE ARTICLES OF ASSOCIATION

With respect to profit appropriation, article 35 stipulates, insofar as relevant here, that a dividend of 2.5% of the amount paid in on preference A shares outstanding shall first be added to the dividend A reserve (and where applicable on the amount of the dividend A reserve). Starting from the 2000 financial year up to and including the 2009 financial year, this percentage shall be increased annually by 1% of the percentage last applicable.

From the profit not added to the dividend A reserve, such additions shall be made to reserves as are determined by the Executive Board, subject to the approval of the Supervisory Board.

From the profit remaining after the aforementioned additions to reserves, a dividend shall be paid on the face value of all the preference B shares outstanding, at a percentage that is related to the average redemption yield on Dutch State loans with a weighted average remaining term to maturity of five years.

The remaining profit shall be paid to the holders of ordinary shares in proportion to the shares they hold.

Profit appropriation
Upon approval of the financial statements, the profit of € 302.0 million is added to other reserves. It is proposed to pay a dividend of € 82.5 million from these reserves.

Dividend
For 2004, in conformity with article 35.9 of the Articles of Association, an amount of € 0.2 million (2003: € 0.2 million) is charged as dividend to other reserves. The distribution amounts to € 24.01 (2003: € nil) per ordinary share with a face value of € 9.08, to € 18.02 (2003: € nil) per preference B share with a face value of € 453.78, and to € 0.24 (2003: € 0.24) per preference A share with a face value of € 9.08.

Auditor's report

To the General Meetings of Shareholders,

Introduction
We have audited the 2004 financial statements of Delta Lloyd NV Amsterdam included 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 auditing standards generally accepted in the Netherlands. 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 statement. 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 of 31 December 2004 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, 24 February 2005

PricewaterhouseCoopers Accountants N.V.

List of principal group companies

Aviva plc, London is the ultimate holder of Delta Lloyd NV's entire ordinary share capital. In addition, Stichting Nuts Ohra holds an interest in the form of preference shares.

The principal companies forming part of the Delta Lloyd NV group are (wholly-owned and registered in the Netherlands, unless otherwise stated):

HOLDING COMPANY

Delta Lloyd Verzekeringen NV (Amsterdam)
OHRA Verzekeringen NV (Arnhem)
Delta Lloyd Bankengroep NV (Amsterdam)
Delta Lloyd Deutschland AG (Wiesbaden, Germany)
Delta Lloyd 2000 NV (Elsene-Brussels, Belgium)
Delta Lloyd Antillen NV (Curaçao, Netherlands Antilles)
Delta Lloyd ABN AMRO Verzekeringen Holding BV (51%) (Zwolle)

LIFE

Delta Lloyd Levensverzekering NV (Amsterdam)
OHRA Levensverzekeringen NV (Arnhem)
Berlinische Lebensversicherung AG (99.52%) (Wiesbaden, Germany)
Delta Lloyd Levensherverzekeringsmaatschappij BV (Amsterdam)
NV Nationaal Spaarfonds (The Hague)
Ennia Caribe Leven NV (80%) (Curaçao, Netherlands Antilles)
Delta Lloyd Vastgoed Fonds NV (Amsterdam)
Delta Lloyd Life NV (Elsene-Brussels, Belgium)
ABN AMRO Levensverzekering NV (51%) (Zwolle)

GENERAL

Delta Lloyd Schadeverzekering NV (Amsterdam)
OHRA Schadeverzekeringen NV (Arnhem)
Ennia Caribe Schade NV (80%) (Curaçao, Netherlands Antilles)
B. Franco Mendes BV (Amsterdam)
Delta Lloyd Schadeverzekering Volmachtbedrijf BV (Amsterdam)
O.W.J. Schlencker Assuradeuren BV (Amsterdam)
'Praevenio' Technische Verzekeringen BV (Amsterdam)
OHRA Belgium NV (Sint-Pieters-Woluwe-Brussels, Belgium)
ABN AMRO Schadeverzekering NV (51%) (Zwolle)
ABN AMRO Assuradeuren BV (51%) (Zwolle)

HEALTH

Delta Lloyd Zorgverzekering NV (The Hague)
OHRA Ziektekostenverzekeringen NV (Arnhem)

BANKING

Delta Lloyd Bank NV (Amsterdam)
Delta Lloyd Securities NV (Antwerp, Belgium)
OHRA Hypothekenfonds NV (Arnhem)
Delta Lloyd Bank NV, België (Turnhout, Belgium)
Bank Nagelmackers 1747 NV (99.6%) (Brussels, Belgium)
Gries & Heissel Bankiers AG (89.13%) (Berlin, Germany)
Amstelhuys NV (Amsterdam)

A list of participating interests, as referred to in sections 2:379 and 2:414 of the Netherlands Civil Code is filed with the Trade Register in Amsterdam for public inspection. As allowed under section 2:403(1) of the Netherlands Civil Code, for a number of group companies not all the provisions of Title 9, Book 2 of the Netherlands Civil Code are complied with.

ten-year summary

In millions of euros	2004 [8]	2003 [7]	2002	2001	2000	1999 [1]	1998 [2]	1997 [3]	1996 [3]	1995 [3]
Income										
Gross premium income, life business	3,648	3,153	2,744	2,686	2,283	1,941	1,705	1,067	909	821
Gross premium income, general business	1,133	978	810	752	774	579	529	490	492	473
Gross premium income, health business	834	851	787	708	685	139	-	-	-	-
Total premium income	5,615	4,982	4,341	4,146	3,742	2,659	2,234	1,557	1,401	1,294
Other operations	165	177	124	76	130	39	28	13	11	8
Investment income [4]	2,255	2,210	1,021	1,400	1,796	1,842	1,425	1,067	938	903
	8,035	7,369	5,486	5,622	5,668	4,540	3,687	2,637	2,350	2,205
Result before taxation [5]										
Life business	249	238	152	291	313	250	223	187	165	138
General business	135	92	13	19	-9	3	8	34	27	22
Health business	16	5	12	23	12	-	-	-	-	-
Banking and insurance broking operations	24	20	2	3	22	9	8	6	6	4
Holding company	-15	-44	-21	31	12	30	42	56	25	17
Result before taxation and exceptional income and expenses	409	311	158	367	350	292	281	283	223	181
Exceptional income and expenses	-	-28	-	-	-	-	-	-	-	-
Extraordinary income and expenses	-	-	-	-	-	-	-	-4	-22	-
Result before taxation	409	283	158	367	350	292	281	279	201	181
Taxation	-98	-27	-20	-68	-65	-52	-61	-70	-52	-47
Third parties' interest after taxation	-9	-9	-	-	-	-	-	-	-	-
Result after taxation	302	247	138	299	285	240	220	209	149	134
Impact of changes in accounting policies after taxation	-	-351	-	-	-	-	-	-	-	-
Restated result after taxation	-	-104	-	-	-	-	-	-	-	-
Shareholders' funds at year-end	2,649	2,244	1,713	2,354	2,878	2,360	1,779	1,994	1,686	1,345
Total assets	40,730	38,077	32,781	34,239	30,992	28,753	21,261	15,752	14,285	13,231
Figures per ordinary share of € 9.08 face value, per preference B share of € 453.78 face value and per preference A share of € 9.08 face value, in euros [6]										
Dividend (ordinary shares)	24.01	-	-	23.71	27,04	29.46	30.83	30.44	22.57	20.30
Dividend (preference B shares)	18.02	-	-	20.79	20.79	20.79	20.79	-	-	-
Dividend (preference A shares)	0.24	0.24	0.23	0.23	0.23	0.23	-	-	-	-
Permanent staff at year-end (in FTEs)	6,459	6,514	6,464	6,506	5,639	5,636	3,452	2,319	2,284	2,281

Notes to ten-year summary

As this was not practically feasible, the figures for 2002 and prior years in the ten-year summary have not been restated to reflect the changes in accounting policies described on pages 31 and 32. Restatement of the figures included in the ten-year summary would have affected the items investment income, third parties' interest after taxation and result before and after taxation.

1) Including NUTS OHRA Beheer BV (as from 1 October 1999).
2) Including Berlinische Lebensversicherung AG.
3) With effect from the 1995 financial year, the provisions included in Part 15, Title 9 of the Netherlands Civil Code have been complied with.
4) Including indirect return for the years 1997 - 2002.
5) The figures for life, general and health are the result of the technical account and the share in the non-technical account.
6) In 1999, the issued and paid-up share capital was enlarged by 1,026,087 preference A shares. For comparitive purposes, the 1998 profit per ordinary share has been restated.
7) From 2003, including ABN AMRO Insurance.
8) From 2004, including realised capital gains. See pages 31 and 32.

curricula vitae of Supervisory Board members

J.A.N. van Dijk
Chairman
CURRENT POSITION
Retired
FORMER POSITIONS
Member of the Board of Management of Sara Lee/DE NV
Senior Vice President Sara Lee Corporation
SUPERVISORY BOARD MEMBERSHIPS
Laurus NV
Royal Wessanen NV
CV Verenigde Bloemenveilingen Aalsmeer
Transavia Airlines, chairman
OTHER POSITIONS
Chairman of the Board of Overseers of Utrecht University
YEAR OF APPOINTMENT
1993
YEAR OF BIRTH
1938
NATIONALITY
Dutch

C.P.J. Appeldoorn
CURRENT POSITION
Retired
FORMER POSITION
Chairman of the Executive Board of Royal Wegener NV
SUPERVISORY BOARD MEMBERSHIP
Terberg Leasing BV
YEAR OF APPOINTMENT
1999
YEAR OF BIRTH
1938
NATIONALITY
Dutch

P.G. Boumeester
CURRENT POSITION
Board chairman of NS Reizigers
OTHER POSITIONS
Member of the Advisory Council of Ormit BV
Member of the Advisory Council of the Alumni Association of Groningen State University
YEAR OF APPOINTMENT
2003
YEAR OF BIRTH
1958
NATIONALITY
Dutch

H.C. Broeksma
CURRENT POSITION
Retired
FORMER POSITION
Member of the Executive Board of Royal Wessanen NV
SUPERVISORY BOARD MEMBERSHIP
Ballast Nedam NV
Koninklijke Auping BV
Blauwhoed Holding BV
Moving People BV
Flentrop Orgelbouw BV
OTHER POSITIONS
Curatorium Postdoctorale Controllersopleiding U.v.A.
Treasurer of Stichting Democratie en Media, Amsterdam
Treasurer of Stichting Wetenschappelijk Erfgoed, Amsterdam
YEAR OF APPOINTMENT
1993
YEAR OF BIRTH
1945
NATIONALITY
Dutch

V.A.M. van der Burg
Deputy chairman
CURRENT POSITION
Independent legal adviser, Zeist
SUPERVISORY BOARD MEMBERSHIP
Nestlé Nederland BV
OTHER POSITIONS
Vice-chairman of the Utrechts Archief
Member of the Executive Committee of the Dutch Dioceses Pension Fund
YEAR OF APPOINTMENT
1973
YEAR OF BIRTH
1945
NATIONALITY
Dutch

R. Harvey
CURRENT POSITION
Group Chief Executive of Aviva plc
SUPERVISORY BOARD MEMBERSHIPS
Aviva plc subsidiaries
OTHER POSITIONS
Chairman of the British insurers 'European Committee'
Member of the Financial Services Authority's Practitioner
Chairman of the Association of British Insurers
Member of the British Industry's Governing Council
YEAR OF APPOINTMENT
2000
YEAR OF BIRTH
1950
NATIONALITY
British

R.H.P.W. Kottman
CURRENT POSITION
Chairman of the Board of Management of Ballast Nedam NV
SUPERVISORY BOARD MEMBERSHIPS
Hermeta Group BV
Stichting Exploitatie Nederlandse Staatsloterij
OTHER POSITIONS
Member of the Advisory Council for Transport, Public Works and Water Management
Member of the Academy of Management USA
Board member of VU Medisch Centrum Fonds
YEAR OF APPOINTMENT
1999
YEAR OF BIRTH
1945
NATIONALITY
Dutch

Ph.G. Scott
CURRENT POSITION
Group Executive Director of Aviva plc
SUPERVISORY BOARD MEMBERSHIPS
Aviva plc subsidiaries
YEAR OF APPOINTMENT
2003
YEAR OF BIRTH
1954
NATIONALITY
British

M.H.M. Smits
CURRENT POSITION
Member of the Board of Management of Royal KPN NV
SUPERVISORY BOARD MEMBERSHIPS
KPN Mobile NV subsidiaries
OTHER POSITION
Member of the Executive Committee of Nederlands Philharmonisch Orkest
YEAR OF APPOINTMENT
2003
YEAR OF BIRTH
1961
NATIONALITY
Dutch

curricula vitae of Executive Board members

N.W. Hoek
CURRENT POSITION
Chairman of the Executive Board of Delta Lloyd NV
SUPERVISORY BOARD MEMBERSHIPS
Stadsherstel Amsterdam NV
Nederlandse Herverzekeringsmaatschappij voor Terrorismeschaden NV, chairman
OTHER POSITIONS
Board member of the Dutch Association of Insurers
Chairman of the Consumer Policy Committee of the Dutch Association of Insurers
Member of the VNO-NCW Executive Board
Vice-chairman of the Executive Committee of Stichting Klachteninstituut Verzekeringen
Vice-chairman of Stichting Nederlands Philharmonisch Orkest
Chairman of the Supervisory Board of Stichting Standaardisatie Instituut voor Verzekeringen in de Intermediairbranche (SIVI)
Member of the Advisory Council of Stichting voor Economisch Onderzoek of the University of Amsterdam
Member of the Advisory Council of Waterland Private Equity
Member of the Executive Board of Stichting Amsterdam Partners
YEAR OF APPOINTMENT
1997 Executive Board member, 2001 Executive Board chairman
YEAR OF BIRTH
1956
NATIONALITY
Dutch

R.L.M. Hillebrand
CURRENT POSITION
Member of the Executive Board of Delta Lloyd NV
SUPERVISORY BOARD MEMBERSHIP
ArboNed NV
YEAR OF APPOINTMENT
2003
YEAR OF BIRTH
1955
NATIONALITY
Dutch

P.J.W.G. Kok
CURRENT POSITION
Member of the Executive Board and CFO of Delta Lloyd NV
SUPERVISORY BOARD MEMBERSHIPS
Delta Lloyd Beleggingsfondsen, chairman
OHRA Beleggingsfondsen, chairman
Triodos Vastgoedfonds
ENNIA Caribe NV
OTHER POSITIONS
Member of the Financial & Economic Affairs Committee of the Dutch Association of Insurers
Member of the Insurance Statistics Committee of the Dutch Association of Insurers
Chairman of the Investment Policy Committee of the Dutch Association of Insurers
Member of the Advisory Council of Bedrijvenvereniging Amsterdam Zuidoost
Vice-chairman of Dutch Fund Association
Board member of the Dutch Securities Institute
YEAR OF APPOINTMENT
2001
YEAR OF BIRTH
1954
NATIONALITY
Dutch

P.K. Medendorp
CURRENT POSITION
Member of the Executive Board of Delta Lloyd NV
OTHER POSITIONS
Member of the Advisory Council of BSN Nederland
Member of the Supervisory Board of Lancyr
Member of the VNO-NCW Pension Policy Committee
Member of the Transparency Steering Group of the Dutch Association of Insurers
YEAR OF APPOINTMENT
2003
YEAR OF BIRTH
1954
NATIONALITY
Dutch

Delta Lloyd Group senior management

Situation as at 1 January 2005

DELTA LLOYD GROUP

SUPERVISORY BOARD
J.A.N. (Jacques) van Dijk, chairman
V.A.M. (Vincent) van der Burg, deputy chairman
C.P.J. (Peter) Appeldoorn
P.G. (Pamela) Boumeester
H.C. (Caspar) Broeksma
R. (Richard) Harvey
R.H.P.W. (René) Kottman
Ph.G. (Philip) Scott
M.H.M. (Marcel) Smits

EXECUTIVE BOARD
N.W. (Niek) Hoek, chairman
R.L.M. (Rob) Hillebrand
P.J.W.G. (Peter) Kok
P.K. (Paul) Medendorp

COMPANY SECRETARY
F. (Faïza) Dadi

EXTERNAL AUDITOR
PricewaterhouseCoopers Accountants N.V.

CENTRAL WORKS COUNCIL
J.M.A.C. (Hans) van Oers, chairman
D.A. (Digna) Schoonenboom, vice-chairman
R. (Remco) Bakker
J. (Johan) Beunk
H. (Henk) Beerda
W. H. (Henk) Biemans
R.C.G. (Ruud) de Groot
E.F.R. (Edwin) Huijgens
E. (Eric) Kok
J. (Jaap) Pronk
M. (Marga) Spijker-Goederee
C. (Conny) Stinnissen
F.G. (Ferenc) Vereb
G.G.L. (Guus) Verheul

CENTRAL WORKS COUNCIL SECRETARIAT
D.A.C.J. (Dominique) Fragu, secretary
M.A. (Ria) de Kruijf-Weisscher, secretary

CORPORATE STAFF
D.S. (David) Brilleslijper, Corporate Communications
J.H.G. (Jan) Bruineman, Group Tax
T.J.M. (Theo) van Brunschot, Projects
E.W. (Liesbeth) Galesloot-Vaal, Legal
R.J. (Rolf) Kooijman, Group Finance & Control
G. (Gerard) van Loon, Procurement
L.J.M. (Laurens) Roodbol, Group Actuarial & Risk Management
B.A. (Ben) Sinnige, Group HRM
N. (Nita) Studen-Kiliaan, Corporate Development
W.A. (Wim) Weima, Group Infrastructure Management
B. (Boudewijn) van der Woerd, Group Audit & Consultancy

GENERAL INSURANCE SERVICE CENTRE (IN FORMATION)
J.W. (Hanneke) Jukema

MANAGEMENT OF DELTA LLOYD INSURANCE

DELTA LLOYD INSURANCE
H.H. (Henk) Raué, chairman
F. (Frank) Elion, Marketing & Sales
I.M.A. (Ingrid) de Graaf, Personnel & Organisation (from 1 March 2005)
M.M. (Maarten) de Groof, Life
T.J.A. (Theo) Krekel, Finance, Planning & Control
H. (Henk) Otten, Personnel & Organisation (until 1 February 2005)
L.M. (Leon) van Riet, ICT Solutions & E-Business Services
J.P.M. (Jolanda) Tijhuis, General
I.A. (Ingrid) Visscher, Health

DELTA LLOYD LIFE
M.M. (Maarten) de Groof, chairman
A.M.P.J. (Martin) Heuvelmans
H. (Henk) Otten (from 1 February 2005)

DELTA LLOYD GENERAL
J.P.M. (Jolanda) Tijhuis, chairman
J.F. Th. (Jan) Boogaard (until 1 February 2005)
H.H. (Herman Hein) Roozen

DELTA LLOYD HEALTH
I.A. (Ingrid) Visscher, chairman
H. (Hugo) Broekman
H.A. (Hugo) Keuzenkamp

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E. (Erica) Blom-Groenink
A.J.H. (Twan) Sprenkels

FINANCE, PLANNING & CONTROL
T.J.A. (Theo) Krekel
R. (Rob) van Mazijk

FACILITY MANAGEMENT SERVICES
R.J. (Rob) Volman

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OHRA INSURANCE
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M. (Martin) Duvivier, Health & Income
N.R. (Nico) Francken, ICT Solutions & E-Business Services
P.A. (Peter) Knoeff, Finance & Control

Delta Lloyd Group senior management

Situation as at 1 January 2005

J.G. (Jos) Peeters, Life and General
P.M. (Piere) de Rooij, Health & Income

NATIONAL SAVINGS FUND
A.C.M. (Antoine) van Bijsterveldt
(until 1 March 2005)
M.C. (Marco) van Muiswinkel

MANAGEMENT OF ABN AMRO INSURANCE

ABN AMRO INSURANCE
F.L. (Freek) van Leeuwen, chairman
H.J. (Hessel) Dikkers
A.R. (René) Kruijs
G.T. (Gilbert) Pluym
O.W. (Onno) Verstegen

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DELTA LLOYD BANKING
L. (Leo) Keemink, chairman
E.A.A. (Emiel) Roozen
P.A.J.M. (Piet) Verbrugge
G.J.L.M.J.G. (Geoffroy) Vermeire

DELTA LLOYD BANK NETHERLANDS
L. (Leo) Keemink, chairman
E.A.A. (Emiel) Roozen

OHRA BANK
F.J. (Frank) Werkhoven

RETAIL & MORTGAGES
P. (Paul) van Weerdenburg

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B. (Bert) Mets

DELTA LLOYD BANK BELGIUM
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G.K.H. (Geert) Ceuppens
A.J. (Aymon) Detroch
J.C.A.M. (Johan) Lyssens

DELTA LLOYD SECURITIES BELGIUM
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M.J. (Michael) Sparkes
G.A.L. (Geert) Van de Walle

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G.J.L.M.J.G. (Geoffroy) Vermeire, chairman
F.J.P. (Frank) Bruynseels
M. (Marc) Moles le Bailly

BANQUE NAGELMACKERS 1747 LUXEMBURG
P. (Pierre) Dochen, chairman
A. (André) Marchiori

MANAGEMENT OF DELTA LLOYD GERMANY

DELTA LLOYD GERMANY
J.F. (Frans) van de Veer, chairman
H. (Hartmut) Hagemann
A.C. (Ad) Rijken
V. (Veronika) Simons

MANAGEMENT OF DELTA LLOYD BELGIUM

DELTA LLOYD LIFE
C.F. (Cees) Frankhuisen, chairman
H. (Hugo) De Cupere
(from 1 February 2005)
M.R. (Miriam) van Dongen
(until 1 May 2005)
C.A.N.W. (Caspar) van Haaften

MANAGEMENT OF DELTA LLOYD ASSET MANAGEMENT

DELTA LLOYD ASSET MANAGEMENT
J.P. (Jaco) Aardoom, chairman
A.H. (Alex) Otto

OHRA ASSET MANAGEMENT
J.P. (Jaco) Aardoom, chairman
A.H. (Alex) Otto

MANAGEMENT OF DELTA LLOYD PROPERTY

DELTA LLOYD PROPERTY
E.A. (Egbert) Dijkstra, chairman

MANAGEMENT OF ENNIA CARIBE

ENNIA CARIBE
H. (Hans) Groot, chairman
G.J.H. (Gijsbert) van Doorn
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colophon

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