

## PRESS RELEASE

This press release contains a general summary (page 1) and a summary with figures for Delta Lloyd Group (pp 2–8) as well as for the major divisions (pp 9–15). The complete annual report and this press release can be found at [www.deltalloydgroep.com](http://www.deltalloydgroep.com) in Dutch and English.

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Amsterdam, 26 February 2003

### **2002: A year of extremes for Delta Lloyd Group Fall in profits, higher premium income and strengthened strategic position**

*A year of extremes* is probably the best characterisation of the year 2002 for Delta Lloyd Group. On the one hand, Delta Lloyd Group is showing its strength by adding a third distribution channel to the existing mix of Delta Lloyd for the intermediary channel and OHRA for the direct channel: a stake of 51% was acquired in the insurance activities of ABN AMRO. Also, the first results were achieved in respect of synergy and cost control.

On the other hand, due to the poor developments in the financial markets, Delta Lloyd Group reports a drop in net results of 54% to € 138 million. Total revenue decreased slightly as a result of a lower return on investments. Premium income increased by 5% to € 4.3 billion, despite the current uncertain market.

The solvency of both the insurance and banking activities remains good. On account of prudent financial policy, this year's profit is almost completely added to net assets. It is difficult to say anything about the profitability for 2003, given the uncertain political and economic conditions.

#### **Highlights:**

- Pre-tax results : € 157.6 million (-/- 57%)
- Net result : € 137.7 million (-/- 54%)
- Total gross premium income : € 4.3 billion (+ 5%)
- Assets under management : € 36.3 billion (-/- 18%)
- Solvency Delta Lloyd Insurance operations remains good: 177%
- BIS ratio Delta Lloyd Banking Division : 13.9
- Major expansion in the Netherlands through joint venture with ABN AMRO in the field of insurance business
- Integration with Bank Nagelmackers leads to sharp increase in revenue for banking and insurance activities in Belgium

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## **Delta Lloyd Group in 2002**

The year 2002 was clearly a year of extremes. The persistent adverse economy and the poor developments in the financial markets, combined with an unstable political climate in the Netherlands, led to a difficult year for the entire Dutch insurance sector. This applied to Delta Lloyd Group with a sharp fall in the results for 2002. Nevertheless total premium income was good; an increase of 5% to € 4.3 billion.

## **Market position strengthened with third distribution channel**

The strategic position of Delta Lloyd Group was strengthened further in 2002. A joint venture with ABN AMRO was announced in November 2002 for the distribution of insurances via the Dutch network of ABN AMRO. Delta Lloyd Group takes a 51% stake in this joint venture in which ABN AMRO will place its insurance activities. Delta Lloyd Group will pay an amount of at least € 262.5 million, subject to realised positive revenues. It gives Delta Lloyd Group a strong third channel for selling insurances in the Netherlands. The Group now has three channels, namely, Delta Lloyd through independent intermediaries, OHRA directly to individual and commercial consumers and now ABN AMRO via the bank. Naturally, Delta Lloyd Group will respect the interests of its distribution partners with strict separation by channel, by brand and product supply.

## **Solvency remains good**

The Group's management kept the worrying developments in the financial markets under constant surveillance. Solvency, in particular, was followed closely. The solvency of the insurance activities can still be said to be good – even after two years of continuous negative stock market results; the rate of 177% of the legally required solvency and is above the minimum internal requirement of 150%. The BIS ratio for banking activities was, at 13.9, far above the legal minimum of 8.0. At the end of 2002, Standard & Poor's confirmed the AA rating (negative outlook) of Delta Lloyd Life and General Insurance.

## **Emphasis on synergy and cost control**

Not only through acquisitions but also by emphasising our strong autonomous growth, we achieve our strategic objectives. A sourcing policy was defined last year in which a major step was made in the field of synergy. Delta Lloyd Group will concentrate in core activities in which it can distinguish itself as a financial services provider. Activities in which other parties may provide an added value will be outsourced – in stages – with specialised partners outside the organisation. This guarantees continuity and innovation for all activities. The first step has been made in outsourcing computer centres. Various suppliers have been invited to make proposals. The next step will be focused on general office services. Much was invested in a joint back office for individual general insurances, the General Insurance Service Centre (SSC). It is the Group's intention that third parties too may use this centre in due time. The costs of the SSC have been charged to the results in a single amount, which results in an extra burden of € 30 million. The creation of a new Procurement organisation results in structural improvement of procurement across the entire organisation. The intensive focus on cost improvement had its effect for the whole group already in 2002. The trend for annually rising costs was halted thanks to higher premium income and by realising lower recurrent costs. This will be continued in the coming years.

## **Decrease in result**

The cost improvements were inadequate to keep profits at a proper level. In the year under review, Delta Lloyd Group recorded a decrease in the net result of 54% to € 138 million. This drop in profits was mainly caused by disappointing results on the financial markets, which affected all parts of the Group. In addition, the result includes a few specific items. In this respect, an extra deposit was made into the pension fund (€ 31 million), extra contributions were made to provisions including guarantee contracts (€ 42 million) and the above investments in the new General Insurance Service Centre (€ 30 million) were charged to the results. Also, a one off gain was taken in connection with the surrender of a major pension contract (€ 47 million). Delta Lloyd Group believes that financial services are in the long run about customer trust. Therefore, care should be taken not to overreact on the current market situation and the related results. Emphasis should be on a structurally prudent policy for all stakeholders.

## **Revenue: upward trend**

Divisions in the Group that are involved in investments and other related activities had lower income due to the negative stock market. But political developments played a role too. The discussion about the basic deduction for life annuities and the employee savings scheme caused uncertainty amongst customers. Nevertheless, most activities could improve their premium income. The total gross premium income rose

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by 5% to € 4,341 million. Premium income from life activities of the whole Group grew by 2% to € 2.744 million, the premium income from general insurance and care developed positively with increases of 8% and 11% respectively. Total revenue fell marginally to € 5.5 billion, due to a 27% drop in investment results to € 1,022 million.

The Group revenue consists of: 71% from life insurance, asset management and banking activities, 14% from care and 15% from general insurance. Some 22% of total revenue was realised abroad. The Group has 6,464 full-time employees. Total assets under management fell to € 36.3 billion, a drop of 18% on the prior year.

## **Profit added to capital**

The negative developments on the stock markets have led, for the second consecutive year, to a drop in investments and therefore in the Group's shareholders' funds. Shareholders' funds fell during the year under review by 27% to more than € 1.7 billion. The revaluation reserve was positive at € 90 million at the end of 2002. In light of the remaining uncertain stock climate and the Group's aim of an enduring solid financial position, it was decided to add virtually all profits this year to the Shareholders' funds.

## **Executive Board**

The Executive Board appointed two new members with effect from 1 January 2003. Rob Hillebrand and Paul Medendorp both have ample management experience within Delta Lloyd. Chris Tesselhoff will retire from the Executive Board on 1 April 2003 when he reaches retirement age. On balance, the Board will have been increased to four members. This is a logical step given the sharp growth of Delta Lloyd Group in the past five years.

## **Outlook 2003**

Given the continuing uncertainty in economic developments, (international) politics and financial markets, it is not possible for Delta Lloyd Group to make a reliable prediction for its 2003 results. However, the Executive Board does expect cost levels to fall slightly in 2003 and premium income in Life, General and Care to develop favourably. The focus for the Life operations will be on pension business. A further increase in premium income is also expected in Belgium and Germany.

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## **Other information Delta Lloyd Group**

- € 0.2 million dividend will be paid on preference shares on 2002
- Issue or purchase of shares did not take place in 2002
- The group structure was not essentially changed compared with 2001
- This is an unaudited press release
- The ordinary shares of Delta Lloyd Group are fully owned by the international insurance group Aviva plc. In addition Stichting Nuts OHRA holds preference shares
- The same valuation principles apply to the financial summaries in this press release and to the annual accounts 2002. Therefore, the valuation principles have not changed compared with 2001.

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## Key figures Delta Lloyd Group

(in millions of euros)

|                                                          | 2002            | 2001            | % change |
|----------------------------------------------------------|-----------------|-----------------|----------|
| <b>REVENUE</b>                                           |                 |                 |          |
| Gross premium income life insurance                      | 2,744.1         | 2,686.6         | 2        |
| Gross premium income general insurance                   | 809.8           | 751.8           | 8        |
| Gross premium income care insurance                      | 787.2           | 707.9           | 11       |
| <b>Total gross premium income</b>                        | <b>4,341.1</b>  | <b>4,146.3</b>  | 5        |
| Other activities                                         | 123.5           | 76.4            | 62       |
| Return on investments                                    | 1,021.5         | 1,399.6         | -27      |
| <b>Total revenue</b>                                     | <b>5,486.1</b>  | <b>5,622.3</b>  | -2       |
| <b>RESULT</b>                                            |                 |                 |          |
| Delta Lloyd Insurance                                    | 148.0           | 249.2           | -41      |
| OHRA Insurance                                           | 22.2            | 52.9            | -58      |
| Delta Lloyd Banking                                      | 0.0             | 3.9             | -100     |
| Delta Lloyd Germany                                      | -6.1            | 5.1             | -220     |
| Other                                                    | -6.5            | 55.7            | -112     |
| <b>Total result before taxation</b>                      | <b>157.6</b>    | <b>366.8</b>    | -57      |
| <b>Net result</b>                                        | <b>137.7</b>    | <b>297.1</b>    | -54      |
| <b>Shareholders' funds at 31 December</b>                | <b>1,713.0</b>  | <b>2,353.9</b>  | -27      |
| <b>Total assets under management at 31 December</b>      | <b>36,337.7</b> | <b>44,183.9</b> | -18      |
| <b>Staff numbers on a full-time basis at 31 December</b> | <b>6,464</b>    | <b>6,506</b>    | -1       |

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## Delta Lloyd Group Summarised Consolidated Profit & Loss account for 2002

(in millions of euros)

|                                                  | 2002         | 2001           | % change   |
|--------------------------------------------------|--------------|----------------|------------|
| <b>RESULT TECHNICAL ACCOUNT</b>                  |              |                |            |
| - Life                                           | 67.1         | 144.1          | -53        |
| - General                                        | -10.9        | -7.5           | -45        |
| - Care                                           | -1.4         | 8.0            | -118       |
| <b>Technical result</b>                          | <b>54.8</b>  | <b>144.6</b>   | <b>-62</b> |
| <b>Investment income</b>                         | <b>765.8</b> | <b>1,220.6</b> | <b>-37</b> |
| Charges relating to investments                  | -171.2       | -199.2         | 14         |
| Allocated investment return to technical account | -445.2       | -795.9         | 44         |
| Other income                                     | 44.2         | 63.7           | -31        |
| Other expenses                                   | -90.8        | -67.0          | -36        |
| <b>RESULT BEFORE TAXATION</b>                    | <b>157.6</b> | <b>366.8</b>   | <b>-57</b> |
| Taxation                                         | -19.9        | -67.4          | 70         |
| <b>RESULT AFTER TAXATION</b>                     | <b>137.7</b> | <b>299.4</b>   | <b>-54</b> |
| Minority interests                               | 0.0          | -2.3           | 100        |
| <b>NET RESULT</b>                                | <b>137.7</b> | <b>297.1</b>   | <b>-54</b> |

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## Delta Lloyd Group Consolidated balance sheet at 31 December 2002

(in millions of euros)

|                                                                                           | 31-12-2002      | 31-12-2001      |
|-------------------------------------------------------------------------------------------|-----------------|-----------------|
| <b>Assets</b>                                                                             |                 |                 |
| <b>INSURANCE OPERATIONS</b>                                                               |                 |                 |
| <b>Intangible assets</b>                                                                  | <b>23.4</b>     | <b>20.0</b>     |
| <b>Investments</b>                                                                        |                 |                 |
| Land and buildings                                                                        | 1,859.6         | 1,720.4         |
| Participating interests                                                                   | 69.3            | 52.3            |
| Other financial investments                                                               | 19,872.5        | 19,696.4        |
| Securitised mortgage loans                                                                | -2,486.9        | -1,520.8        |
| Deposits with ceding undertakings                                                         | 79.0            | 75.8            |
|                                                                                           | <b>19,393.5</b> | <b>20,024.1</b> |
| <b>Investments for the benefit and risk of policyholders and savings fund investments</b> | <b>5,485.9</b>  | <b>6,701.9</b>  |
| <b>Debtors</b>                                                                            |                 |                 |
| From direct insurances                                                                    | 332.0           | 357.3           |
| From reinsurance                                                                          | 77.3            | 16.6            |
| Other debtors                                                                             | 825.8           | 492.0           |
|                                                                                           | <b>1,235.1</b>  | <b>865.9</b>    |
| <b>Other assets</b>                                                                       |                 |                 |
| Tangible fixed assets                                                                     | 51.7            | 40.9            |
| Cash and bank balances                                                                    | 523.8           | 412.8           |
| Other assets                                                                              | 88.2            | 66.6            |
|                                                                                           | <b>663.7</b>    | <b>520.3</b>    |
| <b>Prepayments and accrued income</b>                                                     |                 |                 |
| Accrued interest and rent                                                                 | 253.3           | 344.4           |
| Deferred acquisition costs                                                                | 214.8           | 204.5           |
| Other prepayments and accrued income                                                      | 243.2           | 169.4           |
|                                                                                           | <b>711.3</b>    | <b>718.3</b>    |
| <b>TOTAL ASSETS INSURANCE OPERATIONS</b>                                                  | <b>27,512.9</b> | <b>28,850.5</b> |
| <b>TOTAL ASSETS BANK</b>                                                                  | <b>5,267.9</b>  | <b>5,388.1</b>  |
| <b>Total assets</b>                                                                       | <b>32,780.8</b> | <b>34,238.6</b> |

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## Delta Lloyd Group Consolidated balance sheet at 31 December 2002

(in millions of euros)

|                                                                                           | 31-12-2002 | 31-12-2001 |
|-------------------------------------------------------------------------------------------|------------|------------|
| <b>Liabilities</b>                                                                        |            |            |
| <b>Group capital and reserves</b>                                                         | 1,713.0    | 2,353.9    |
| Group capital                                                                             |            |            |
| Perpetual subordinated convertible                                                        | 172.4      | 172.4      |
| loan                                                                                      | 3.3        | 9.3        |
| Fund for general banking risks                                                            | 1,888.7    | 2,535.6    |
| <b>Minority interest</b>                                                                  | 5.7        | 7.3        |
| <b>Insurance operations</b>                                                               |            |            |
| <b>Technical provisions</b>                                                               |            |            |
| Unearned premiums and unexpired risks                                                     | 444.2      | 383.2      |
| For life insurance                                                                        | 15,727.7   | 14,973.1   |
| For claims outstanding                                                                    | 1,341.9    | 1,260.6    |
| For bonuses and rebates                                                                   | 209.0      | 607.1      |
|                                                                                           | 17,722.8   | 17,224.0   |
| Reinsurance                                                                               | -1,501.5   | -1,464.8   |
|                                                                                           | 16,221.3   | 15,759.2   |
| <b>Investments for the benefit and risk of policyholders and savings fund investments</b> |            |            |
|                                                                                           | 5,800.6    | 6,765.1    |
| Reinsurance                                                                               | -39.3      | -37.3      |
|                                                                                           | 5,761.3    | 6,727.8    |
| <b>Other provisions</b>                                                                   | 67.1       | 104.7      |
| <b>Deposits received from insurers</b>                                                    | 1,141.2    | 1,214.3    |
| <b>Creditors</b>                                                                          |            |            |
| From direct insurance                                                                     | 914.3      | 783.0      |
| From reinsurance                                                                          | 35.4       | 14.6       |
| Other debts                                                                               | 1,326.0    | 1,340.3    |
|                                                                                           | 2,275.7    | 2,137.9    |
| <b>Accruals and deferred income</b>                                                       | 643.0      | 753.0      |
| <b>Total liabilities insurance</b>                                                        | 26,109.6   | 26,696.9   |
| <b>Total liabilities bank</b>                                                             | 4,776.8    | 4,998.8    |
| <b>Total liabilities</b>                                                                  | 32,780.8   | 34,238.6   |

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## The divisions in 2002

### Delta Lloyd Insurance

*Delta Lloyd Insurance is the largest division in the Group and consists of Delta Lloyd Life, Delta Lloyd General Insurance and Delta Lloyd Care. Delta Lloyd co-operates exclusively and intensely with its professional independent intermediaries.*

The emphasis in 2002 for Delta Lloyd Insurance was on the continuation of cost reduction, as a necessary condition for profitable growth. The economic situation, falling share prices, changing trends in the tax position of insurance products and growing demands caused by regulations places pressure on the result.

The relationship with the intermediaries gathered momentum through emphasis on the distribution policy and support to the intermediaries. In 2003, the focus will again be on the distribution strategy. In the coming year the division will also try to achieve a leading position in the market for large commercial business and in the market for small and medium-sized business. A major step in this direction was made early in February, together with MKB Nederland (the association of small and medium-sized business in the Netherlands).

Total gross premium income decreased by 2% in 2002, to € 2,557 million. This decline was due mainly to the prudent approach of rates for immediate life annuities and the consequences of changes in tax legislation. Gross premium income for general insurances and care increased by 8% and 4% respectively.

Post-tax results for Delta Lloyd Insurance fell by 34% to € 141 million in 2002. Both Delta Lloyd Care and General Insurance ended the year with positive results. The results for General Insurance business were affected negatively by a major storm in autumn and several large fires. Waiting list mediation in Care was very successful. Delta Lloyd (and OHRA) guarantee medical treatment within two weeks, and within three days for emergency treatment.

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## (Delta Lloyd Insurance)

(in millions of euros)

|                                 | 2002           | 2001           | % change |
|---------------------------------|----------------|----------------|----------|
| <b>GROSS PREMIUM INCOME</b>     |                |                |          |
| - life                          | 1,545.1        | 1,649.9        | -6       |
| - general                       | 636.1          | 590.9          | 8        |
| - care                          | 375.8          | 362.1          | 4        |
|                                 | <b>2,557.0</b> | <b>2,602.9</b> | -2       |
| <b>RESULT TECHNICAL ACCOUNT</b> |                |                |          |
| - life                          | 51.6           | 86.0           | -40      |
| - general                       | -10.3          | -4.0           | -155     |
| - care                          | -4.8           | -2.3           | -109     |
|                                 | <b>36.5</b>    | <b>79.7</b>    | -54      |
| <b>RESULT BEFORE TAXATION</b>   | <b>148.0</b>   | <b>249.2</b>   | -41      |
| <b>RESULT AFTER TAXATION</b>    | <b>141.0</b>   | <b>213.3</b>   | -34      |

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## OHRA Insurance

OHRA is the direct division in the Group and consists of OHRA Life, OHRA General Insurance, OHRA Care and OHRA Income and Absence. Nationaal Spaarfonds (NSF) is included in the figures of OHRA Life.

After a major reorganisation in 2001, the emphasis for OHRA in 2002 was on new plans and products, communicated to customers through the new marketing campaign 'OHRA Direct Result'.

OHRA realised post-tax results in 2002 of € 36 million, a decrease of 23% compared with 2001. Total premium income rose marginally by 1% to € 752 million. This was due mainly to lower premium income for OHRA Care, which is by far the largest division in OHRA. Care lost premium income in 2002, due mainly to the compulsory transfer of large group contracts with teaching hospitals. Yet, gross premium income Care increased by 1%. Premium income for Life business was stabilised at € 246 million.

(in millions of euros)

|                                 | 2002         | 2001         | % change |
|---------------------------------|--------------|--------------|----------|
| <b>GROSS PREMIUM INCOME</b>     |              |              |          |
| - life                          | 245.9        | 245.6        | 0        |
| - general                       | 107.9        | 107.4        | 0        |
| - care                          | 398.2        | 394.4        | 1        |
|                                 | <b>752.0</b> | <b>747.4</b> | 1        |
| <b>RESULT TECHNICAL ACCOUNT</b> |              |              |          |
| - life                          | 10.3         | 26.1         | -61      |
| - general                       | 2.8          | 8.3          | -66      |
| - care                          | 2.9          | 10.4         | -72      |
|                                 | <b>16.0</b>  | <b>44.8</b>  | -64      |
| <b>RESULT BEFORE TAXATION</b>   | <b>22.2</b>  | <b>52.9</b>  | -58      |
| <b>RESULT AFTER TAXATION</b>    | <b>36.2</b>  | <b>46.8</b>  | -23      |

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## Asset Management

*Delta Lloyd's Asset Management division consists of the asset management activities of Delta Lloyd and OHRA .*

Poor conditions on the stock markets affected the investment funds handled by Asset Management. Only bonds and the money market funds achieved positive returns in 2002.

Partly because other prominent financial institutions more often include the private investment funds of Asset Management in their portfolios, new money in the Delta Lloyd and OHRA funds amounted to € 502 million.

The return on investments fell in 2002 by 29% to € 898.2 million. Total assets under management of the Asset Management division are currently € 34.5 billion.

## Property

The return on property investments was 10.8% in 2002.

(in millions of euros)

|                                                         | 2002            | 2001            | % change   |
|---------------------------------------------------------|-----------------|-----------------|------------|
| <b>Return on investments</b>                            |                 |                 |            |
| - Asset Management                                      | 898,2           | 1.272,8         | -29        |
| - Property                                              | 123,3           | 126,7           | -3         |
| Total                                                   | 1.021,5         | 1.399,5         | -27        |
| <b>Assets under management</b>                          |                 |                 |            |
| - Asset Management                                      | 34.478,1        | 42.463,5        | -19        |
| - Property                                              | 1.859,6         | 1.720,4         | 8          |
| <b>Total assets under management<br/>at 31 December</b> | <b>36.337,7</b> | <b>44.183,9</b> | <b>-18</b> |

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## Delta Lloyd Banking Divison

*The Delta Lloyd Banking Division includes: Delta Lloyd Bank and OHRA Bank in the Netherlands, Delta Lloyd Securities (Amsterdam/Antwerp), Bank Nagelmackers 1747 and Delta Lloyd Bank in Belgium. The results of Bank Nagelmackers, acquired in 2001, were consolidated fully in 2002 for the first time.*

The activities of Bank Nagelmackers have meanwhile been split into private banking under the old brand and a retail bank under the name of Delta Lloyd Bank.

The economic developments also affected the Banking Division. In this respect, it appeared that the process of cost control that started last year, has already generated effects.

Earlier losses in Bank Nagelmackers changed into a modest contribution to profits. Nevertheless, the full consolidation of this bank together with the booked integration costs, led to a decrease in results after tax for Delta Lloyd Banking Division by about two-thirds to € 2 million. Revenue increased by 44% to € 294 million. Mortgage loans, like previous years, showed growth of 12% to € 1,438 million. The total portfolio increased to € 5.7 billion (+17%). € 966 million of the mortgage portfolio was securitised this year; as a result, an amount of € 2.5 billion of the total mortgage portfolio is currently securitised.

(in millions of euros)

|                        | 2002         | 2001         | % change |
|------------------------|--------------|--------------|----------|
| REVENUE                |              |              |          |
| Interest               | 227.1        | 147.7        | 54       |
| Commission/provision   | 66.8         | 57.1         | 17       |
|                        | <b>293.9</b> | <b>204.8</b> | 44       |
| RESULT BEFORE TAXATION | <b>0.0</b>   | <b>3.9</b>   | -100     |
| RESULT AFTER TAXATION  | <b>2.0</b>   | <b>5.2</b>   | -62      |

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## Delta Lloyd Deutschland

*Delta Lloyd Deutschland consists of the insurance companies Berlinische Leben and Hamburger Leben, Gries & Heissel Bankiers and Delta Lloyd Investment Managers.*

The economic recession affects Germany worse than the Netherlands. The German stock exchange index (DAX) fell by 44% in 2002. Consequently, there were major solvency problems amongst many German insurers. Delta Lloyd Deutschland contributes to the financing of an emergency insurer (Protektor) together with other sound insurers, to meet the consequences of companies in trouble. Contrary to the many downgrades of German insurers, Standard & Poor's renewed the A+ rating for Berlinische Leben in December.

The weak situation of the German economy induced Delta Lloyd Deutschland, like other German insurers, to reduce profit sharing to policyholders. The cost reduction programme will be intensified in Germany too.

On the other hand, sales were acceptable. Total gross premium income increased in comparison with 2001, by 7% to € 660 million. At the same time, many Delta Lloyd products were honoured Best in the Market in several areas. Post-tax results for Delta Lloyd Germany fell sharply in 2002, down to a loss of € 7.6 million.

*(in millions of euros)*

|                                       | <b>2002</b> | <b>2001</b> | <b>% change</b> |
|---------------------------------------|-------------|-------------|-----------------|
| <b>GROSS PREMIUM INCOME INSURANCE</b> | 660.0       | 619.0       | 7               |
| <b>REVENUE BANKING OPERATIONS</b>     | 19.0        | 19.3        | -2              |
| <b>RESULT BEFORE TAXATION</b>         | -6.1        | 5.1         | -220            |
| <b>RESULT AFTER TAXATION</b>          | -7.6        | -1.4        | -443            |

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## Delta Lloyd Belgium

*Delta Lloyd Belgium concentrates on selling life business (Delta Lloyd Life).*

Delta Lloyd Life is the strongest grower in the Delta Lloyd Group. Life premium income increased by 71% to € 251 million in 2002. The combination with Delta Lloyd Bank in particular, proved valuable. Life insurance sales via Delta Lloyd Bank more than doubled in the year under review. Meanwhile, life business represents 87% of Belgian premium income.

As expected, the considerable growth of Life revenues goes hand by hand with losses in the start-up phase. Due to lower losses in General Insurance business and a positive taxation affect, the results improved. Further action to reduce losses in General Insurance is required. Total post-tax results of the Belgian insurance activities improved from a loss of € 22 million in 2001 to a loss of € 13.0 million in 2002.

*(in millions of euros)*

|                                   | 2002             | 2001             | % change |
|-----------------------------------|------------------|------------------|----------|
| <b>GROSS PREMIUM INCOME</b>       |                  |                  |          |
| - life                            | 251.4            | 147.4            | 71       |
| - general                         | 36.3             | 35.6             | 2        |
|                                   | <b>287.7</b>     | <b>183.0</b>     | 57       |
| <br><b>RESULT BEFORE TAXATION</b> | <br><b>-21.4</b> | <br><b>-23.2</b> | <br>8    |
| <br><b>RESULT AFTER TAXATION</b>  | <br><b>-13.0</b> | <br><b>-22.0</b> | <br>41   |