delta lloyd

PERSBERICHT

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Record year for Delta Lloyd Group
Result before taxation € 409 million (+32%)
Premium income shows 13% organic growth

2004 key figures for Delta Lloyd Group
including Delta Lloyd Insurance, OHRA Insurance, ABN AMRO Insurance, Delta Lloyd Banking, Delta Lloyd Asset Management, Delta Lloyd Belgium, Delta Lloyd Germany and ENNIA.

- Result before taxation and exceptional items € 409 million (+ 32%)*
- Net result € 302 million (+ 22%)*
- Total group income € 8.0 billion (+ 9%)
- Total gross premium income € 5.6 billion (+ 13%)
- Shareholders' funds € 2,6 billion (+ 18%)
- Total assets under management € 47.0 billion (+ 14%)
- Solvency of Dutch insurance operations 240% (year-end 2003: 220%)
- BIS ratio of Delta Lloyd Banking 12.8 (year-end 2003: 14.4)

Delta Lloyd Group can look back on an excellent 2004, with pre-tax and after-tax results both hitting record levels at € 409 million and € 302 million respectively. This good performance was partly attributable to the stable cost level, while premium income showed healthy organic growth of 13% to more than € 5.6 billion.

In the life insurance & pensions sector in particular, Delta Lloyd Group is a prominent player. Gross Life & Pensions premium income increased to € 3.6 billion (+16%) and new business in NAPI terms (consisting of 10% of new single premiums and 100% of new annual premiums) also made good headway. Full-year NAPI rose to € 321 million (+16%) in the Netherlands, to € 81 million (+35%) in Germany and to € 67 million (+54%) in Belgium. With total Life & Pensions gross premium income of € 2.5 billion (+13%) in the Netherlands, Delta Lloyd Group is Dutch market leader in terms of new life and pensions business.

General premium income surged 16% to € 1.1 billion, boosting the result to € 135 million. All units contributed to this sterling performance. The premium income of ABN AMRO General soared 72% to € 295 million. Health premium income was marginally lower at € 834 million due to the termination of the underwriting activities of Delta Lloyd Health.

Delta Lloyd Banking achieved strong profit growth, and reinforced its position in the mortgage market with mortgage origination of € 2 billion. The Group's assets under management advanced € 47 billion (+14%), mainly due to several large group contracts. Net new assets of Asset Management, through investments in mutual funds and mandates, totalled € 1.2 billion (+61%).

(*) Based on disclosed 2003 results. In 2004, Delta Lloyd switched over to new accounting principles, with all realised capital gains on shares and property being taken to the profit and loss account. To this end, the net results for 2003 have been restated on the basis of the new regulations and are therefore not directly comparable with data disclosed previously. An extensive explanation to this can be found on pages 6/7, while the restated results are also shown in the consolidated profit and loss account on page 12. These changes have no impact on the Group's shareholders' funds.

This press release can be found in Dutch and English at www.deltalloydgroup.com.

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Profitability of Delta Lloyd Group reaches record level

For Delta Lloyd Group, 2004 was an excellent year. The record result before taxation of € 409 million is a clear consequence of the cost reductions and margin improvements initiated in the past years, and constitutes a considerable improvement on the 2003 disclosed result before taxation of € 311 million*.

RESULT (in millions of euros)	2004	2003	Change
Result before taxation and exceptional income and expenses ♦	409	311	32%
Result before taxation after exceptional income and expenses ♦	409	283	45%
Net result ♦	302	247	22%

The result before taxation of all three separate insurance businesses developed favourably. At group level, Life achieved a result of € 249 million for 2004 as a whole, slightly up on the 2003 disclosed result*. The result before taxation of Delta Lloyd Life rose by 4% to € 209 million*. The share of Delta Lloyd Life in total Group profit is 51%. General and Health showed sharp improvements, particularly due to good claims control. The COR (Combined Operating Ratio) at General, for instance, decreased from 100% to 95%. The result of General amounted to € 135 million, up 46% on the 2003 disclosed figure*. Health tripled its result compared to 2003*, ending the year at € 16 million.

Looking at the result before taxation, € 194 million came from realised capital gains while operations generated € 215 million (2003: € 78 million) on balance*. This means that the profit was less dependent on investment results than in previous years.

Premium income shows organic growth of 13%

Gross premium income showed significant, fully organic growth of 13% to € 5.6 billion (2003: € 5.0 billion), up 16% in both Life and General business.

Gross premium income, Delta Lloyd Group (in millions of euros)	2004	2003	Change
Gross premium income, life business	3,648	3,153	16%
- Of which the Netherlands	2,459	2,169	13%
Gross premium income, general business	1,133	979	16%
- Of which the Netherlands	1,103	955	15%
Gross premium income, health business	834	851	-2%
Total gross premium income	5,615	4,982	13%

Total Life & Pension gross premium income of Delta Lloyd Group rose by € 0.5 billion to € 3.7 billion, representing almost two thirds of the Group's premium income. Life realised growth virtually across the board.
At Delta Lloyd Life, gross premium income grew by 17% to € 1.5 billion. Group pension products developed particularly well, partly thanks to an impulse from a number of large contracts.
Gross premium income of ABN AMRO Life remained stable at € 646 million (2003: € 637 million), but the composition of the portfolio improved. Fewer immediate annuities were sold, for instance, and the number of annual premium policies jumped 17%.
Conversely, OHRA benefited from an increase in single-premium policies and saw its gross premium income rise 22% to € 343 million.
With a 10% increase in gross premium income to € 680 million, Delta Lloyd Germany became the Group's second-largest life insurer in terms of premium income. The main driver was the imminent

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* The 2003 figures are the figures disclosed in the 2003 annual report. For the impact of changes in accounting policies and restated figures, see pages 6 and 7 of this press release.

introduction of a new tax system in 2005, which spurred customers to take maximum advantage of the existing tax regime in 2004.
Belgium also reported sharply higher gross premium income (up 54% to € 475 million). Here, premium growth was driven by sales through the distribution network of Delta Lloyd Bank.

General gross premium income moved higher across the board. This resulted in a group-wide increase of € 153 million to € 1.1 billion. The general insurance operations now account for one fifth of the Group's total premium income. ABN AMRO General in particular showed a sharp increase of 72% to € 295 million. This strong impulse in premium income was supported by the fact that ABN AMRO Insurance took its underwriting activities into its own books as from 1 January. The motor insurance products launched last year once again scored well.

Health gross premium income remained virtually stable at € 834 million (2003: € 839 million), the net effect of a premium decline (-13%) at Delta Lloyd Health, due to the termination of underwriting activities, and a marked increase (+10%) in the premium income of OHRA Health & Income, partly thanks to the successful marketing campaign late in 2003. Early in January 2005, Delta Lloyd and OHRA achieved a breakthrough in the Dutch healthcare sector by signing an 'operation guarantee' agreement. Under this guarantee, policyholders receive compensation if their operation is cancelled.

Healthy profitable new Life & Pensions production

With new business of € 321 million (+16%) Delta Lloyd Group has placed itself at the top of the Dutch market in NAPI[1] terms. Its overall position in the Dutch market has thus been further reinforced, with total gross Life premium income of € 2.5 billion (+13%) in the Netherlands. Belgium and Germany also pulled their weight with substantially higher income (+54%) and new business (+35%), bringing the total NAPI for the Group to € 473 million.

New business, Delta Lloyd Group (in millions of euros)	2004	2003	Change
Life & Pension (NAPI [1])	473	387	22%
Netherlands	321	277	16%
Germany	81	60	35%
Belgium	67	43	54%
Other	3	6	-45%
General	158	111	42%
Health	82	64	28%

In addition, Life business was also more profitable than in previous years, The value of the new year layer 2004 (which expresses the present value of the freely distributable profit on sold life policies) climbed sharply by 46% to € 46 million (2003: € 31 million). The value of the freely distributable profits on the entire portfolio (European Embedded Value) rose 4% to € 3.7 billion. The increase in this value was mainly dampened by the impact of lower interest rates on the fixed-income portfolio.

General and Health, too saw a quickening of new business compared to last year. New business surged by 42% to € 158 million at General and by 28% to € 82 million at Health.

[1] New Life business is expressed in New Annual Premium Income, NAPI. The NAPI is the sum of 100% of new premium income and 10% of new single-premium policies.

Other operations develop favourably

OTHER INFORMATION, Group (in millions of euros)	2004	2003	Change
Total income	8,035	7,369	9%
Of which:			
- Gross premium income	5,615	4,982	13%
- Income from other operations	166	177	-7%
- Investment income ♦	2,255	2,210	2%
Shareholders' funds at year-end	2,649	2,244	18%
Total assets under management at year-end	46,963	41,044	14%
Mortgage portfolio	8,954	7,645	17%
Number of employees at year-end (in FTEs)	6,459	6,514	-1%

The result before taxation of Delta Lloyd Banking made considerable progress, rising to € 19 million (2003: € 12 million)*. This was not only attributable to strict cost control, but most certainly also to the utilisation of commercial opportunities and the reinforcement of the agency network in Belgium.

Mortgage origination showed strong growth (+29%). Delta Lloyd Banking now administers € 9 billion worth of mortgages of which some 90% is in the Netherlands, representing a 2% share of the Dutch market. To finance the rapidly growing mortgage portfolio, Delta Lloyd Group issues special 'Residential Mortgage Backed Securities'. In 2004 three tranches were placed with an aggregate value of € 2.5 billion.

Net new assets of Asset Management, through investments in mutual funds and mandates, rose sharply by 61% to € 1.2 billion. The distribution via banks outside Delta Lloyd Group contributed towards this, while higher margins also helped to improve the result. The property portfolio remained stable at € 1.9 billion. The vacancy rate was only 4% (2003: 2.7%).

At year-end 2004 the Group had total assets under management in excess of € 47 billion (+14%).

Further strengthening of financial solidity and cost control

The better results were also reflected in improved solvency. Group solvency excluding the banking operations increased markedly to 199% (2003: 178%). The solvency of the Dutch insurance operations worked out at 240% (2003: 230%). The bank's BIS ratio dropped due to the expansion of the portfolio to 12.8, but remained well above the internal requirement of 10.0.
The financial solidity was also reflected in the confirmation of the Standard & Poor's ratings for the most important units: Delta Lloyd Life and Delta Lloyd General were rated at AA^- stable outlook and Delta Lloyd's German life insurance operations at A^+ negative outlook.

The good results stem partly from the focus on cost savings within the Group. Total Group staff decreased by 1% on an annual basis to 6,459 FTEs. The outsourcing of the ICT infrastructure services to IBM was completed in May 2004, including the transfer of about 160 employees from Delta Lloyd Group to IBM Netherlands. The absolute cost base remained virtually stable at € 803 million (2003: € 799 million), while turnover was significantly higher.

Renewed Delta Lloyd Group strategy: The Future Secured

In September 2004 Delta Lloyd Group launched its renewed strategy under the name: "Delta Lloyd Group. The Future Secured". This strategy is the logical continuation of the 7-3-7 strategy

* The 2003 figures are the figures disclosed in the 2003 annual report. For the impact of changes in accounting policies and restated figures, see pages 6 and 7 of this press release.

introduced in 1998, which was aimed primarily at expanding the number of distribution channels with strong brands. The success of this strategy is evident from the enlargement of Delta Lloyd's intermediary activities with the direct writing channel (OHRA) in 1999/2000 and the banking channel (ABN AMRO Insurance) in 2002/2003. In addition, the banking and insurance base was strengthened considerably in Belgium and Germany.

The renewed "The Future Secured" strategy rests on five pillars:
1. Reputation: Reliability is essential to a financial service provider such as Delta Lloyd Group. The Group builds its reliability on a good reputation, based on strong brands like Delta Lloyd, OHRA and ABN AMRO Insurance, and the active pursuit of corporate social responsibility.
2. Distribution power: Its strong brands and the related distribution power give Delta Lloyd Group a solid position in the Dutch insurance market. The group is convinced that distribution power is key to securing a competitive edge and consequently has the ambition to expand its distribution capability considerably, in the Netherlands as well as in Belgium and Germany.
3. Efficiency. Scale is crucial to competitiveness and efficiency. Delta Lloyd Group wants to utilise scale and efficiency benefits by setting up shared service centres where back office activities are standardised as much as possible.
4. Expertise. Delta Lloyd wants to be seen as an expert and reliable financial service provider. Investing in staff knowledge and skills to promote that expertise is therefore a key priority.
5. Core values. The seven core values - Integrity, Central focus on the customer, Responsibility and commitment, Team spirit, Open communication, Flexibility and Entrepreneurship – continue to guide the Group's operations and serve as a touchstone of excellence.

Drawing on this strategy, objectives have been formulated and communicated for all business units. These objectives are described more specifically in the 2004 annual report.

Improved transparency

The calls for greater transparency at large corporations are growing louder. Delta Lloyd Group sees this as an important development that can bolster trust in financial services. It has therefore chosen to comply with all obligations and regulations imposed on listed companies even though, as a non-independent unlisted company, it is not required to do so. This goes notably for the Dutch corporate governance code (the Tabaksblat Code), which Delta Lloyd Group applies. The website www.deltalloydgroep.com has meanwhile been adapted to meet the demands of the Tabaksblat Code.

The annual report contains additional information as required by the Tabaksblat Code and also discloses where and why Delta Lloyd Group has opted in a limited number of cases not to apply the best practices. Moreover, an extensive risk section has been added while a detailed report based on the European Embedded Value (EEV) is under preparation. Delta Lloyd Group has for years published Embedded Value reports (i.e. profit embedded in the insurance portfolio) via its shareholder Aviva, but will soon also start doing this separately in compliance with IFRS. Delta Lloyd Group intends to adopt full IFRS reporting effective from the 2005 financial year. The 2004 annual report has been specially designed for internet use and, from today, can be easily found on or downloaded from our website www.deltalloydgroep.com/financieel.

Today we are also posting Delta Lloyd Group's first-ever independent Corporate Social Responsibility (CSR) report on our corporate website. This marks an important move towards greater transparency in the field of corporate social responsibility. This information was formerly exclusively reported in consolidated form through our shareholder Aviva, but Delta Lloyd Group now wishes to underline its commitment to this subject by bringing out an independent report based on the widely used Global Reporting Initiative (GRI) guidelines. Though the performance of Delta Lloyd in this field is not yet in line with the set ambitions, this report constitutes a major step on the road towards anchoring corporate social responsibility across the Group.

Alongside these formal reports, Delta Lloyd Group is also today publishing its 2004/2005 Year Magazine, to give a better idea of what it stands for as an organisation and of the people working within this organisation. Centring on the theme of 'Trust', this year's magazine reports on the 'softer' sides of the Group. It thus serves as a balance to the 'hard' financial and social reports and contributes towards the improved transparency of all aspects of the Group.

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%. 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.

Other information on Delta Lloyd Group

- The results and income of the ABN AMRO Insurance joint venture are fully consolidated in the figures. An adjustment for the 49% interest of ABN AMRO Bank Netherlands is included in 'minority interests' in the consolidated profit & loss account.
- The ordinary shares and preference B shares of Delta Lloyd Group are wholly owned by the international insurance group Aviva plc in London, UK. In addition, Stichting Nuts Ohra in Amsterdam, the Netherlands, has an interest in the form of preference A shares. This means that 92% of the total issued capital is held by Aviva plc and 8% by Stichting Nuts Ohra.
- Ahead of the introduction of the new International Financial Reporting Standards (IFRS) from 1 January 2005, Delta Lloyd has decided to start evolving towards the IFRS-based adjustments regarding realised capital gains and losses on shares and property from 1 January 2004. Delta Lloyd Group intends to adopt IFRS reporting from the 2005 financial year.

  Up to and including the 2003 financial year, realised and unrealised capital gains and losses on shares and property were taken to the revaluation reserve and consequently to shareholders' funds. Subsequently, part of the (historical) results were transferred from shareholders' funds to the profit and loss account: the 'indirect return'.

  Ahead of IFRS, as from 2004 only realised gains and losses and exceptional movements in the value of shares and property are posted to the profit and loss account: 'realised capital gains'. As a result, property and stock market volatility will lead sooner to volatility in the reported results. This is in contrast with the even spread of results under the 'indirect return' method. This changed method for the recognition of capital gains and losses and exceptional impairments has no further impact on the total capital position.

  In conformity with the IFRS guidelines, assets (such as shares and property) must be depreciated if there is any indication that an asset has lost value and the realisable value is structurally lower than the book value. Such exceptional impairment must then be charged directly to the profit and loss account. To make the net 2003 figures comparable with the 2004 figures, these have been restated according to the new accounting policies. On the basis of the extremely poor stock market year 2003, impairment has been applied to part of the investment portfolio (€ 244 million negative, charged to the profit and loss account). In addition, for comparative purposes, the indirect return has been eliminated from the 2003 figures (€ 233 million negative) while the realised gains (€ 6 million positive) have been added. The net result after taxation for 2003, as restated for comparative purposes, is € 415 million lower than on the basis of the accounting policies applied last year. The reconciliation between the restated and disclosed figures for 2003 is shown below.

RESULT (in millions of euros)	2003 disclosed	2003 restated
Result before taxation and exceptional income and expenses	311	311
Impact of changes in accounting policies		
- Realised capital gains	n.a.	6
- Indirect return	n.a.	-233
- Impairment (exceptional diminutions in value)	n.a.	-244
Result before taxation after restatement and exceptional income and expenses ♦	283	-188
Net result ♦	247	-104

- No shares were issued or repurchased in 2004.
- This press release has not been audited.

Information on insurance operations

The insurance operations of the Group showed growth across a broad spectrum, both in the Netherlands and in Germany and Belgium. In the latter two countries Delta Lloyd concentrates exclusively on life insurance and pensions.

Premium income, Delta Lloyd Group	2004	2003	Change
Total insurance premiums	5,615	4,982	13%
Netherlands	4,396	3,965	11%
- Delta Lloyd	2,516	2,337	8%
- OHRA	938	819	15%
- ABN AMRO Insurance	941	809	16%
Germany	680	621	10%
Belgium	475	308	54%
Other	64	88	-28%
Pension and life insurance premiums	3,648	3,153	16%
Netherlands	2,459	2,169	13%
- Delta Lloyd	1,469	1,255	17%
- OHRA	343	281	22%
- ABN AMRO Insurance	646	637	1%
Germany	680	621	10%
Belgium	475	308	54%
Other	34	53	-36%
General insurance premiums	1,134	990	14%
Netherlands	1,103	955	15%
- Delta Lloyd	699	686	2%
- OHRA	108	97	11%
- ABN AMRO Insurance	295	172	72%
Other	31	35	-12%
Health insurance premiums	834	839	-1%
Delta Lloyd	348	398	-13%
OHRA	487	441	10%

Delta Lloyd Insurance

Delta Lloyd Insurance is Delta Lloyd Group's intermediary company and comprises Delta Lloyd Life, Delta Lloyd General and Delta Lloyd Health. One key characteristic of Delta Lloyd Insurance as an intermediary company is the intensive and exclusive cooperation with professional and independent insurance advisers.

In an increasingly dynamic insurance market, Delta Lloyd Insurance managed in 2004 to grow its gross premium income by 8% to more than € 2.5 billion, yielding a significantly higher result before taxation of € 287 million*.

As part of the renewed "The Future Secured" strategy, Delta Lloyd Insurance is increasingly focusing on the SME sector and, in the field of pensions, also on the large corporate market. In view of the growing demand for transparency in the insurer – intermediary relationship, Delta Lloyd Insurance started at the beginning of this year to publish a list of its particiapting interests in Dutch insurance intermediaries on its website www.deltalloyd.nl.

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* The 2003 figures are the figures disclosed in the 2003 annual report. For the impact of changes in accounting policies and restated figures, see pages 6 and 7 of this press release.

The overall performance of Life & Pensions was good. A number of large group contracts were concluded and Individual Life reported successful single-premium policy sales. Gross premium income advanced 17% to € 1.5 billion. Growth concerned both turnover, market share and new business. The sharper focus on margin boosted profitability, and the result before taxation came out at € 209 million.

Delta Lloyd General had its best year ever, in terms of both premium income and profitability, while the Combined Operating Ratio declined to 99%. Delta Lloyd General also scored well on service and customer satisfaction. The gross premium income totalled € 699 million and the result moved 44% higher to € 66 million*.

The premium income of Health declined 13% to € 348 million following the deliberate termination of a large part of the underwriting portfolio. This translated into an improvement in profitability. The result before taxation reversed from a small loss of € 6 million in 2003* to a profit of € 2,5 million. A lot of effort went into the preparations for the basic healthcare system that will probably be introduced in 2006.

OHRA Insurance

OHRA Insurance is the direct writing division of Delta Lloyd Group and comprises OHRA Life, OHRA General, OHRA Health & Income. NSF (National Savings Fund) is included in the figures for OHRA Life.

OHRA Insurance and the National Savings Fund can look back on their best year ever. The new 'direct result' marketing campaign of OHRA helped increase its spontaneous name recognition significantly to 28% (2003: 23%). The gross premium income of OHRA was up 15% to € 938 million, while the result before taxation showed a considerable improvement to € 64 million (2003: € 49 million)*. Within the new strategy the National Savings Fund is developing into the Group's specialist in personal insurance with its own sales force.

OHRA Life posted record premium income of € 343 million, an increase of 22% compared to last year. This was particularly due to excellent Immediate Annuity sales in the last quarter. OHRA General, too, can look back on an excellent year. Thanks to a good premium/claims ratio and a further reduction in direct costs, the result improved sharply to € 36 million (2003: € 24 million)*.

The core of OHRA is formed by OHRA Health & Income, which generates over half of the premium income. In this business, too, OHRA made good headway: premium income showed a marked increase to € 487 million (2003: € 441 million) while the result was considerably higher at € 13 million (2003: € 10 million)*. The successful marketing campaign at the end of 2003 laid the basis for this, but growth was sustained throughout the entire year. The high customer ratings for the OHRA health products certainly contributed towards this success.

ABN AMRO Insurance

ABN AMRO Insurance is a joint venture of Delta Lloyd Group (51%) and ABN AMRO Bank (49%) and focuses on the distribution of insurance products through the ABN AMRO Bank branch network in the Netherlands.

The gross premium income of ABN AMRO Insurance showed a healthy advance of 16% to € 941 million. This was mainly attributable to an extremely sharp increase at ABN AMRO General, which saw premium income soar by an impressive 72% to € 295 million (2003: € 172 million). This strong impulse in premium income stemmed from the fact that ABN AMRO Insurance took the underwriting activities into its own books as from 1 January. Customer satisfaction was particularly high in terms of claims handling speed. Claims cost control and the favourable development of the cost base also contributed to the result.

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The premium income of ABN AMRO Life stabilised at € 646 million (2003: € 637 million). This is the consequence of a sharper focus on higher-margin products, which boosted the number of annual premium policies by 17%. Due to lower Immediate Annuity sales, income fell slightly on balance. The positive effects of this focus at Life and the impressive increases at General are reflected in the joint venture's result before taxation, which rose considerably to € 35 million (2003: € 27 million)[*].

The integration of the joint venture within Delta Lloyd Group is proceeding in line with expectations; profitability is developing above plan.

Delta Lloyd Germany

The main entities of Delta Lloyd Germany are the Berlinische Leben and Hamburger Leben insurance companies, Gries & Heissel Bankiers, Delta Lloyd Finanzpartner and Delta Lloyd Investment Managers.

Delta Lloyd Germany reported a marked increase in gross premium income of 10% to € 680 million. This higher premium income was partly due to the fact that many customers wanted to benefit from the current favourable tax regime prior to its imminent abolition in 2005. NAPI thus worked out at € 81 million, over 34% higher than in 2003.

The cost base was improved, partly thanks to the completion of the EVE (Effizienz verschafft Erfolg) internal restructuring programme, and decreased by € 17 million. These effects were not yet fully reflected in the pre-tax result, which declined to € 6 million (2003: € 15 million)[*]. The implemented restructuring – together with the broader product suite designed to achieve strong growth in (group) pension products, mortgages and investment products – gives Delta Lloyd Germany a good starting position for the future.

Delta Lloyd Belgium

Delta Lloyd Belgium concentrates, through Delta Lloyd Life, on the sale of life insurance products.

Delta Lloyd Life again showed an impressive rise in premium income, up 54% to € 475 million, while NAPI worked out at € 67 million. Delta Lloyd Life has secured a position among Belgium's top eight life insurers within a few years. This rapid growth is still accompanied by substantial losses. Now that a good starting position has been established in the market, the priority of the Belgian organisation lies with a structural improvement in profitability in order to be able to expand the acquired position in the future. Due to the costs incurred to bring about this improvement, the loss before taxation increased to € 32 million (2003: € 22 million)[*]. The first signs of a reversal are becoming clear and the Group expects the Belgian activities to at least achieve break-even level by 2008.

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[*] The 2003 figures are the figures disclosed in the 2003 annual report. For the impact of changes in accounting policies and restated figures, see pages 6 and 7 of this press release.

Information on banking and investment operations

Delta Lloyd Banking

Delta Lloyd Banking incorporates all banking and mortgage activities of Delta Lloyd Group: Delta Lloyd Bank and OHRA Bank in the Netherlands, Delta Lloyd Securities (Amsterdam/Antwerp), Bank Nagelmackers 1747 and Delta Lloyd Bank in Belgium.

On balance the Banking Division's income remained almost flat at € 277 million (2003: € 279 million). Thanks mainly to good cost control, the result before taxation soared by 67% to over € 19 million (2003: € 12 million)*.

The mortgage portfolios in both the Netherlands and Belgium showed good growth . The Dutch portfolio expanded 29% to € 8.1 billion, the Belgian portfolio increased 26% to € 880 million. To finance the expansion of the mortgage portfolios, Delta Lloyd Banking, together with Asset Management, placed Mortgage-Backed Securities worth € 2.5 billion in three tranches.

The results of Delta Lloyd Bank Belgium increased sharply and the agency network in Belgium was strengthened further. The Bank was also very successful with the sale of Safe products (guaranteed funds).

Asset Management and Property

The asset management activities of Delta Lloyd Group in the Netherlands are carried out by Delta Lloyd Asset Management, which also includes OHRA Asset Management and Delta Lloyd Property.

The assets under management of Asset Management were up 15% to € 45 billion (2003: € 39 billion), while the value of the property portfolio remained virtually flat at € 1.9 billion. Total assets under management thus increased 14% to € 47 billion.

Investment income was 20% higher at € 2.3 billion (after changes in accounting policies). The inflow of new money into mutual funds and in the form of mandates surged by 61% to € 1.2 billion (2003: € 728 million). One particular success of Asset Management was the mandate for the joint Xerox pension funds. The mandate is for the investment of € 270 million in euro-denominated government bonds. Asset Management won the Standard & Poor's Cash Fund Award in the 'best specialized groups' category over a five-year period.

Delta Lloyd Property was confronted with a depressed office market, but succeeded in maintaining the vacancy rate at 4%. Income rose 13% to € 153 million (2003: € 135 million).

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Delta Lloyd Group
Summary consolidated profit and loss account
(in millions of euros)

	2004	2003 disclosed	2003 restated
TECHNICAL ACCOUNT			
- Life business	265	149	-193
- General business	116	63	41
- Health business	4	-10	-18
Technical result	385	202	-170
INVESTMENT INCOME	2,026	1,972	1,745
Investment expenses	-285	-200	-444
Allocated investment income transferred to technical account	-1,689	-1,600	-1,228
Other income	76	30	30
Other expenses	-103	-93	-93
Exceptional income and expenses	-	-28	-28
RESULT BEFORE TAXATION and after exceptional income and expenses	409	283	-188
Taxation on ordinary business operations	-98	-28	92
RESULT AFTER TAXATION AND RESTATEMENT	311	255	-96
Minority interests	-9	-9	-8
NET RESULT	302	247	-104

The 2003 figures have been restated for the impact of changes in accounting policies; see pages 6 and 7 of this press release.

Delta Lloyd Group
Consolidated balance sheet (assets)
(in millions of euros)

	31-12-2004	31-12-2003
INSURANCE OPERATIONS		
Intangible fixed assets	171	184
Investments		
Land & buildings	1,897	1,915
Participating interests	49	88
Other financial investments	26,263	22,037
Securitised mortgage loans	-5,252	-3,175
Deposits with reinsurance companies	81	82
	23,038	20,946
Investments for the account and risk of policyholders and savings fund investments	9,319	8,311
Debtors		
Arising out of direct insurance operations	368	601
Arising out of reinsurance operations	61	46
Other debtors	903	1,018
	1,332	1,664
Other assets		
Tangible fixed assets	51	64
Cash and cash equivalents	799	931
Other assets	134	80
	984	1,076
Prepayments and accrued income		
Accrued interest and rent	264	304
Deferred acquisition costs	279	281
Other prepayments and accrued income	232	267
	775	852
TOTAL ASSETS, INSURANCE OPERATIONS	35,619	33,033
TOTAL ASSETS, BANKING OPERATIONS	5,111	5,044
TOTAL ASSETS	40,730	38,077

Delta Lloyd Group
Consolidated balance sheet (liabilities)
(in millions of euros)

	31-12-2004	31-12-2003
GROUP CAPITAL AND RESERVES		
Shareholders' funds	2,649	2,244
Subordinated convertible loans	413	408
Fund for general banking risks	1	3
	3,063	2,655
Minority interests	118	110
INSURANCE OPERATIONS		
Technical provisions		
Unearned premiums and unexpired risks	430	406
Life insurance	18,309	17,240
Claims outstanding	1,648	1,599
Policyholders' profit-sharing and rebates	258	231
	20,645	19,476
Reinsurers' share	-1,287	-1,356
	19,358	18,120
Technical provisions:		
For policies where the investment risk is for the account and risk of policyholders and for savings fund investments	9,659	8,732
Reinsurers' share	-35	-28
	9,624	8,704
Other provisions	109	104
Deposits received from insurers	1,057	1,082
Creditors		
Arising out of direct insurance operations	1,040	1,175
Arising out of reinsurance operations	40	37
Other liabilities	936	924
	2,016	2,136
Accruals and deferred income	819	552
TOTAL LIABILITIES, INSURANCE OPERATIONS	32,982	30,698
TOTAL LIABILITIES, BANKING OPERATIONS	4,567	4,614
TOTAL LIABILITIES	40,730	38,077