

Topdanmark's 1Q - 3Q 2002 Results



Topdanmark



Agenda

- Trend in results
- Non-life insurance
- Life insurance
- Share buy-back programme
- Profit forecast for 2002



Key features of interim report 1/2

- DKK 51m loss
- Positive cash flow of DKK 73m
- Expense ratio in first three quarters declined from 21.5% to 20.3% (3Q 2002: 19.1%)
- Combined ratio increased in first three quarters from 96.8% to 99.7% (3Q 2002: 97.9%)
- Growth in premiums
 - Non-life insurance 5.9%
 - Life insurance 36.3%



Group

Topdanmark



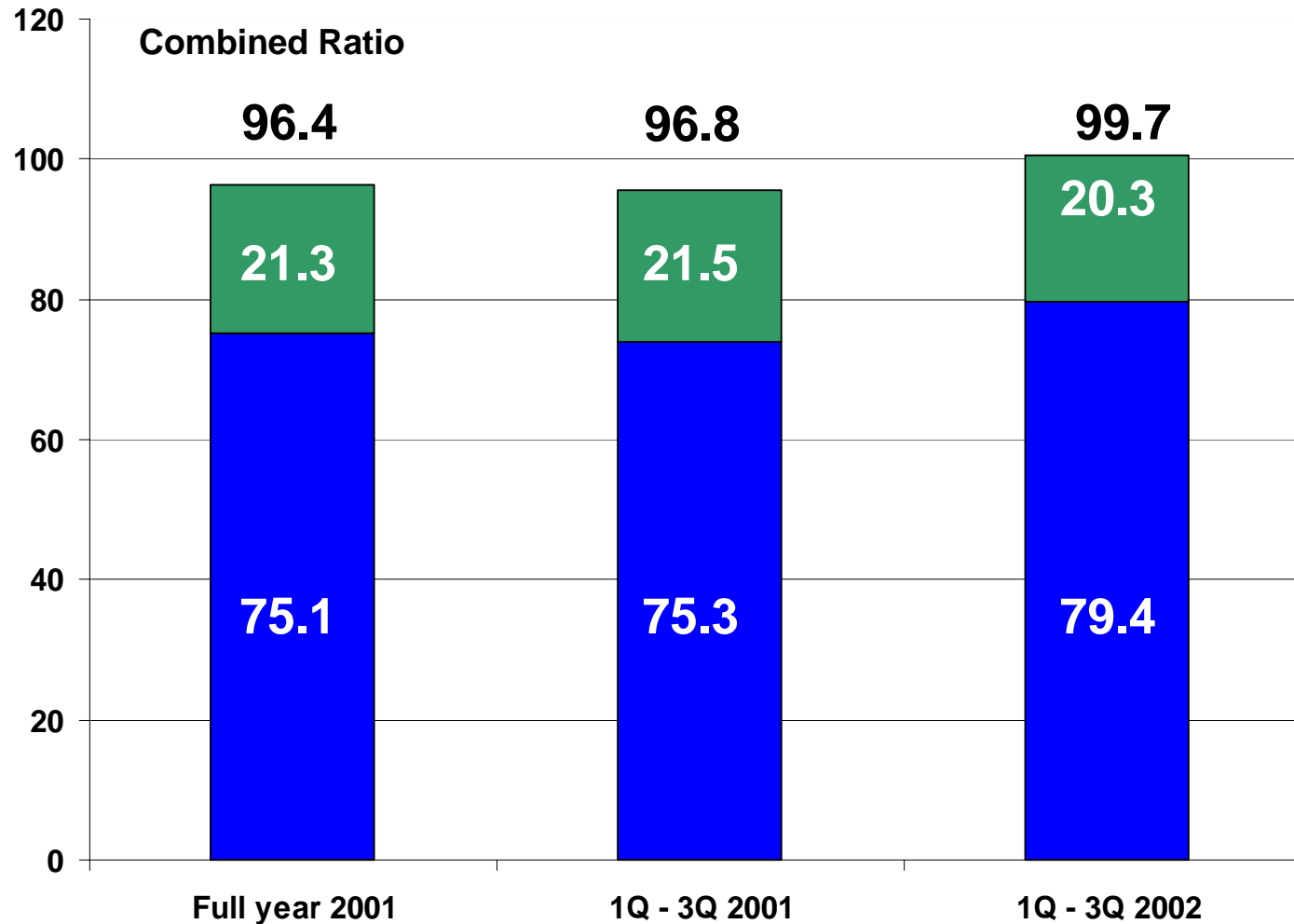
Key features of interim report 2/2

- Compared to forecast set out in 2001 Annual report, earnings were affected by:
 - Deviation due to decline in equity prices DKK 495m
 - DKK 130m in Topdanmark Livsforsikring
 - DKK 365m in the rest of Topdanmark Group
 - Weather-related claims DKK 160m
 - Shift to variable capitalisation rate in workers' compensation DKK 66m
 - Total DKK 721m



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Increase in claim payments due to adverse weather



- **Combined ratio increased to 99.7%**
- **Due to storm and adverse weather in 1Q - 3Q 2002 loss ratio 3.4 percentage points higher than assumed**
- **Further decline in expense ratio**

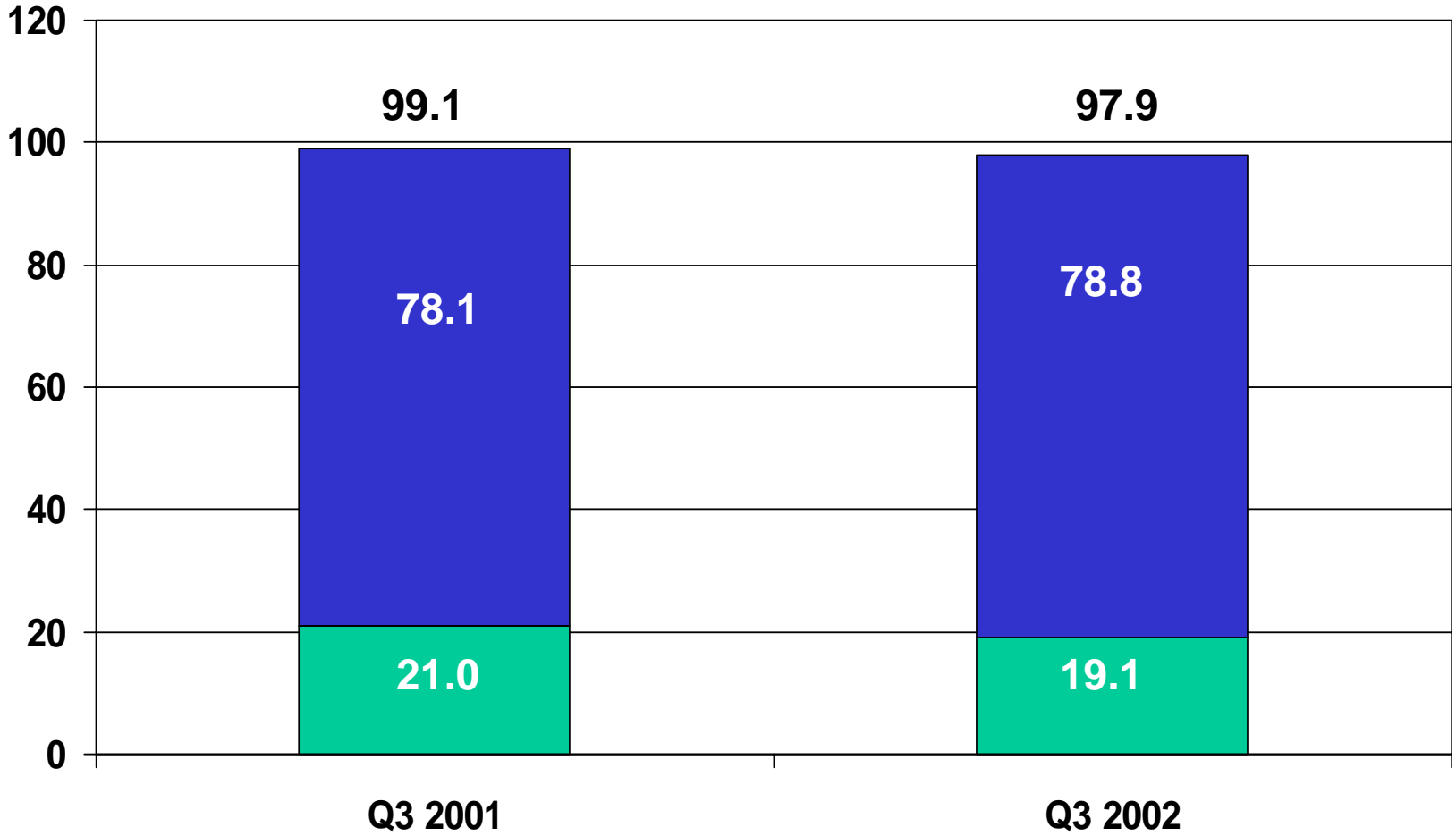
Expenses

Claims incl. reinsurance

Non-life



Q3 2002 better than Q3 2001



Expense ratio declined to 19.1%

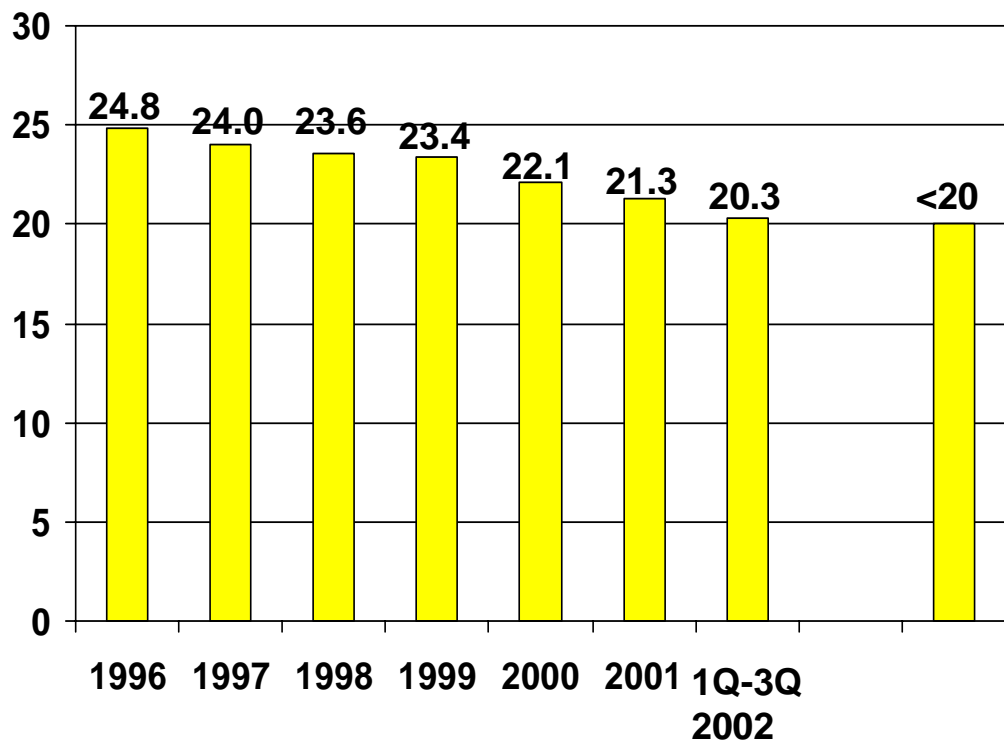
Cloudburst claims had just under 2 percentage points impact on combined ratio

Non-life

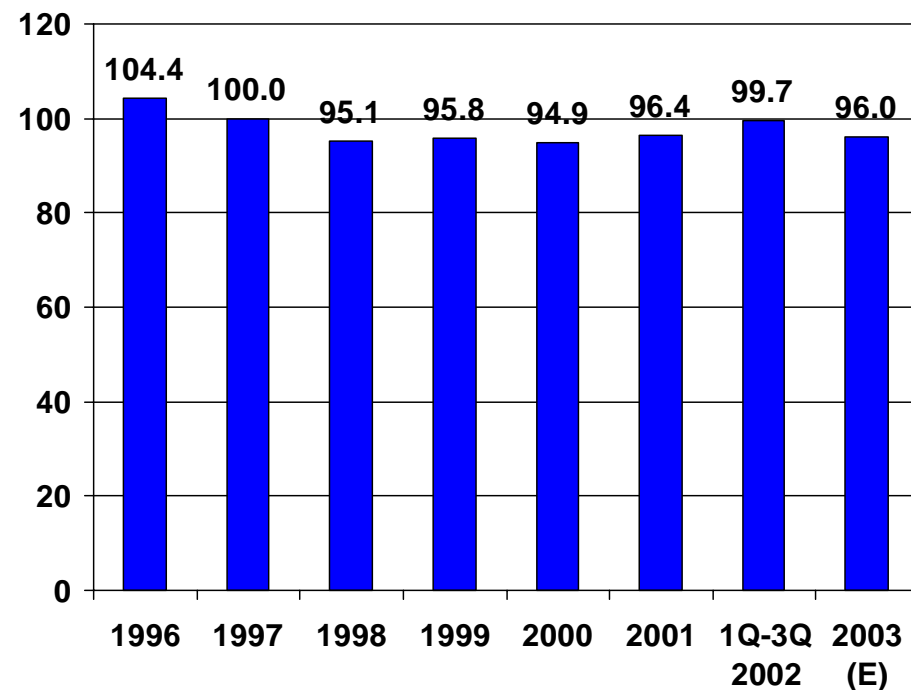


Trend in Topdanmark's ratios

Expense ratio



Combined ratio excl. 1999's storm



Non-life



Topdanmark



Comparison of combined ratio

**Comparison of combined ratio
1Q-3Q 2002**

| | Topdanmark | Codan |
|--------------------------|------------|-------|
| Loss ratio | 77.3 | 74.6 |
| Reinsurance ceded | 2.1 | 5.4 |
| Claims trend | 79.4 | 80.0 |
| Expense ratio | 20.3 | 24.0 |
| Combined ratio | 99.7 | 104.0 |

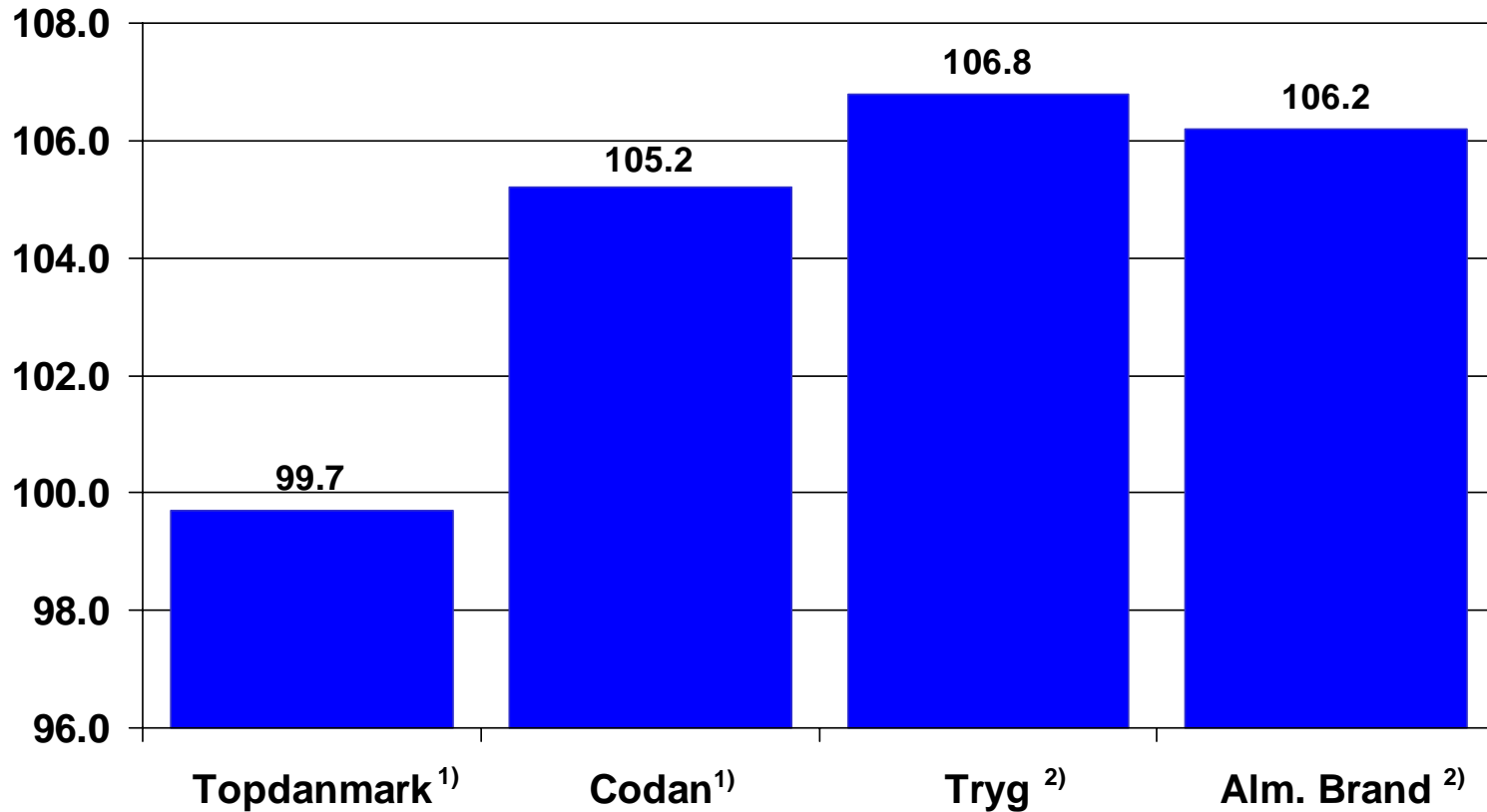
**Comparison of ratios
3Q 2002**

| | Topdanmark | Codan |
|--------------------------|------------|-------|
| Loss ratio | 78.2 | 77.6 |
| Reinsurance ceded | 0.6 | 5.5 |
| Claims trend | 78.8 | 83.1 |
| Expense ratio | 19.1 | 23.9 |
| Combined ratio | 97.9 | 107.0 |

Non-life



Comparison of combined ratio



1) 1Q-3Q 2002

2) 1H 2002

Non-life



What has happened in the world around us?

Fair lost about DKK 400m.

IA → Topdanmark

Provinzial → Alm. Brand

Allianz Nordeuropa → Alka

Trekroner → Codan

Zürich → Tryg

Plus Forsikring bankrupt

Gerling throttling down

Tryg

Codan

Alm.
Brand

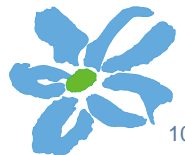
If...

Hamburg-Mannheimer stops writing new business



Non-life

Topdanmark



Necessary initiatives already implemented

- 5.9% growth in premiums in 1Q - 3Q 2002
- Distribution through "home" going well
- New customers from Plus Forsikring
- 7 - 8% growth in premiums expected in 2002
- More claims to be expected in future due to more unstable weather
- Announcement of sufficient increases in premium rates of just over 2%
- Increased sales expected through Danske Bank / BG Bank
- 8 - 9% growth in premiums expected in 2003
- Combined ratio about 96% expected in 2003



Non-life

Topdanmark



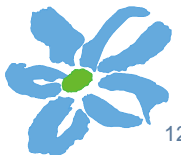
Continued growth in life insurance

- 36.3% growth in premiums in 1Q - 3Q 2002
- Improved competitive position
- In Danish Financial Supervisory Authority's green classification throughout recent months of 2002
- Business relationship initiated with Association of Danish Savings Banks (about 300 branches)
- Continued development of new products
 - e.g. introduction of new unemployment insurance policy
- Expected premium growth significantly higher than market in 2002
- Expected premium growth higher than market also in 2003
- Lower result in life insurance in 2002 due to new definition of profit



Life

Topdanmark



About unemployment insurance

Cover:

- **Payments on loans for up to 12 months**
- **Deferment period: 1/2/3 months**

Linked with:

- **Death cover / unpaid debt**
- **Loss of working capacity 12 months**
- **Critical illness**
- **Disability sum**

Large potential market:

- **At present estimated payments on loans of DKK 90bn**
- **DKK 4.5bn premium if 5% of estimated market**
- **10% expected of estimated market? (great uncertainty)**
- **Topdanmark stands strong due to distribution network**

Life



Calculation of profit in life insurance

Unconditional profit elements

- Return on investments DKK (5)m
- Loss in Topdanmark Link DKK (20)m
- Loss DKK (25)m

Conditional profit elements

- Allowance for risk DKK 37m
- 25% of administrative and risk result DKK 3m
- Profit DKK 40m

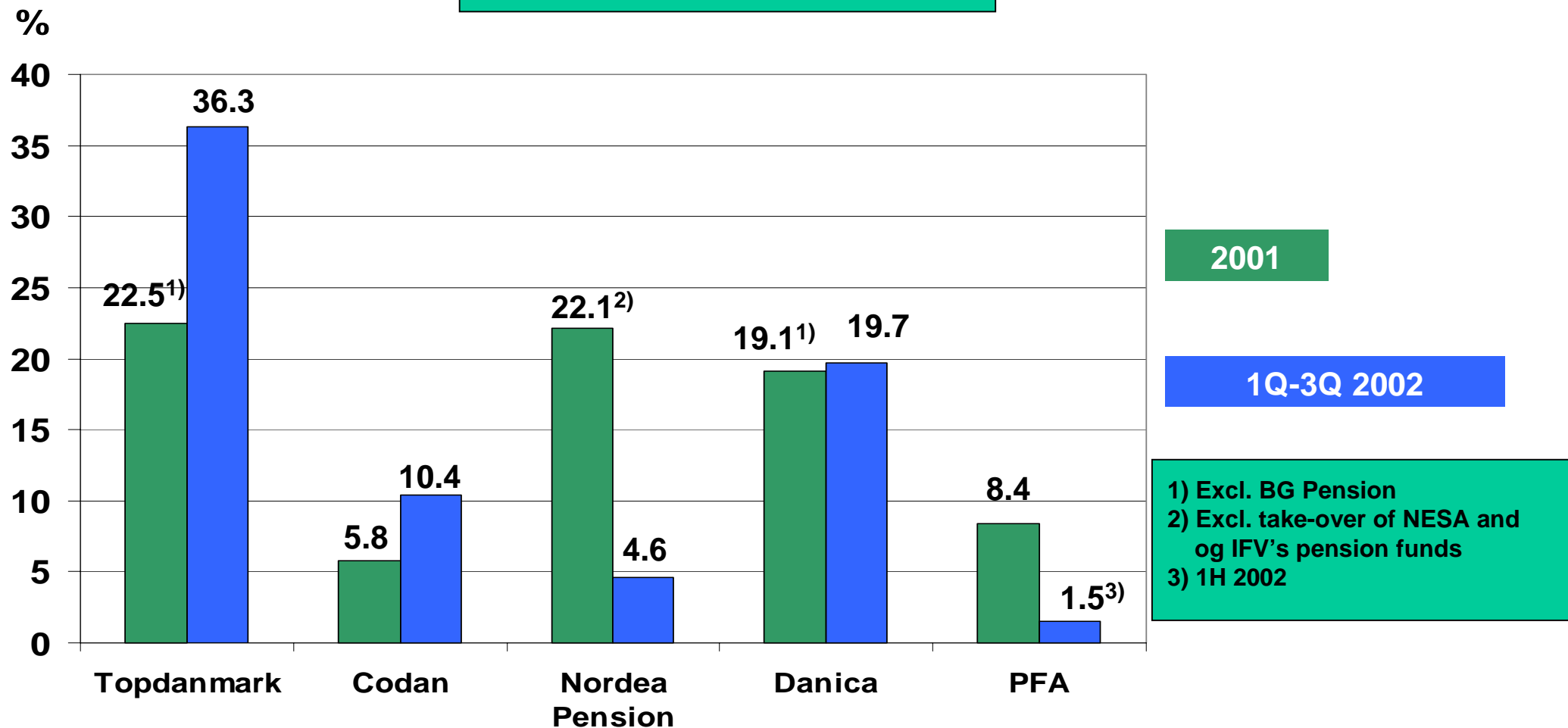
The conditional profit can be brought into income in a subsequent period when the annualised return on investments exceeds around 3.3% pa



Life

Excellent improvement in life insurance premiums

Overall trend in premiums

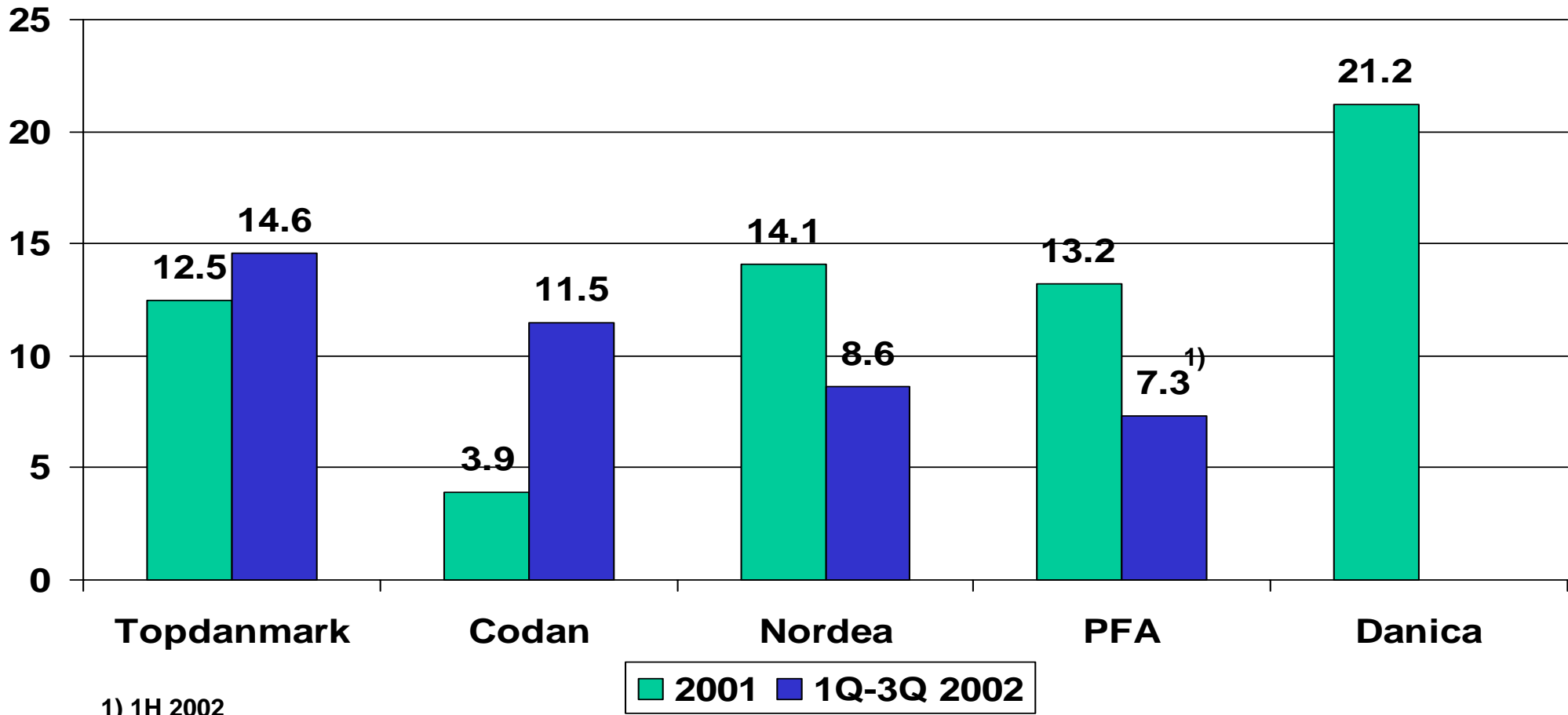


Life



Growth in premiums

Life - regular premiums



1) 1H 2002

Life



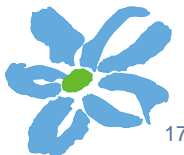
Share buy-back to continue unchanged

- Since 1998, 35% reduction in share capital due to share buy-back programme.
- Share buy-back of DKK 682m in 2002 to date
- Expected share buy-back for 2002 continues to be DKK 600 - 700m



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Unchanged profit forecast for 2002

- Expected post-tax earnings of DKK 325 - 425m in 2002
- Assumed loss of DKK 117m from shareholding in Danske Bank

Assumptions:

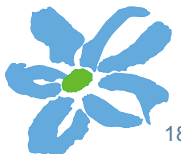
- Unchanged foreign exchange rates
- Stable interest rates
- An annual 8.5% return on equities.

as compared with level on 25 November 2002



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