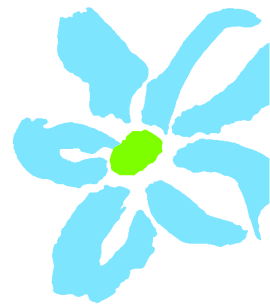


Topdanmark

April 2002

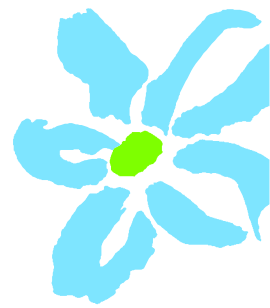
How Topdanmark intends to create value



Operations

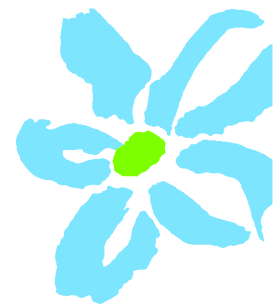
- **An increase in premium income higher than the market**
- **A declining expense ratio**

How Topdanmark intends to create value



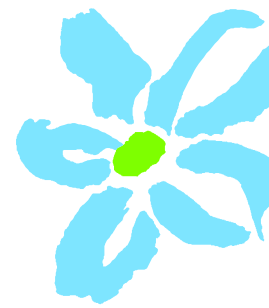
Capital

- **Topdanmark is an insurance company**
 - **Not an investment trust**
- **Topdanmark intends to avoid unnecessary excess capital**
 - **Share buy-back**



Corporate Governance

- **Has removed all relevant limitations set out in the Articles of Association**
- **Lives up to the principles of good Corporate Governance**
- **No shareholder holds more than 10%**
- **A high share price is the only protection against uninvited take-over bids**
- **Revolving stock option scheme for management**

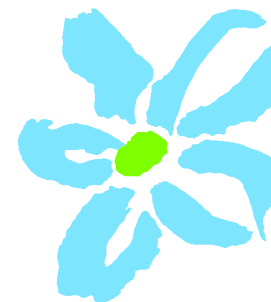


Highlights

- **DKK 408m profit after transfer of DKK 81m to equalisation provisions**
- **DKK 594m profit before goodwill, tax and transfer to equalisation provisions (cash flow)**
 - **representing 10% of market value**
- **Profit affected by :**
 - **Investment result DKK 178m lower than assumed in the budget**
 - **DKK 81m equalisation provisions**
- **5.5% growth in premiums in non-life and 22.5% in life insurance**
- **Expense ratio declined from 22.1% to 21.3%**
- **Combined ratio increased from 94.9% to 96.4%**

Trend in results

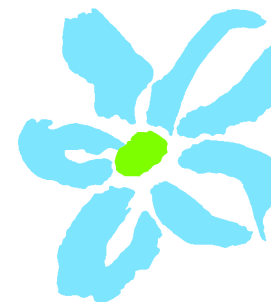
Topdanmark Group



Financial highlights

DKKm.	2000	2001
Key figures		
Premiums earned		
Non-life insurance	5,724	6,039
Life insurance	2,091	1,257
	7,815	7,296
Insurance		
Non-life insurance	866	240
Life insurance	70	129
Total profit on insurance	936	369
Parent company etc.		
Pre-tax profit on ordinary activities	985	453
Extraordinary items	6	(19)
Taxation	14	(26)
Profit for the year	1,005	408

Trend in results

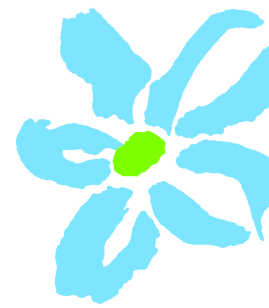


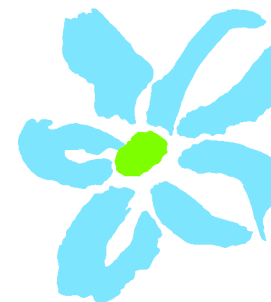
Non-life insurance

DKKm	2000	2001
Gross premiums earned	5,724	6,039
Technical interest	333	225
Claims incurred	(4,980)	(4,518)
Reinsurance ceded	325	(15)
Expenses	(1,267)	(1,289)
Equalisation provisions	(51)	(81)
Technical result	84	361
Investment income excluding Danske Bank	328	(14)
Non-life insurance before Danske Bank and goodwill	412	347
Danske Bank	526	(28)
Goodwill amortisation	(72)	(79)
Profit on non-life insurance	866	240

Non-life insurance

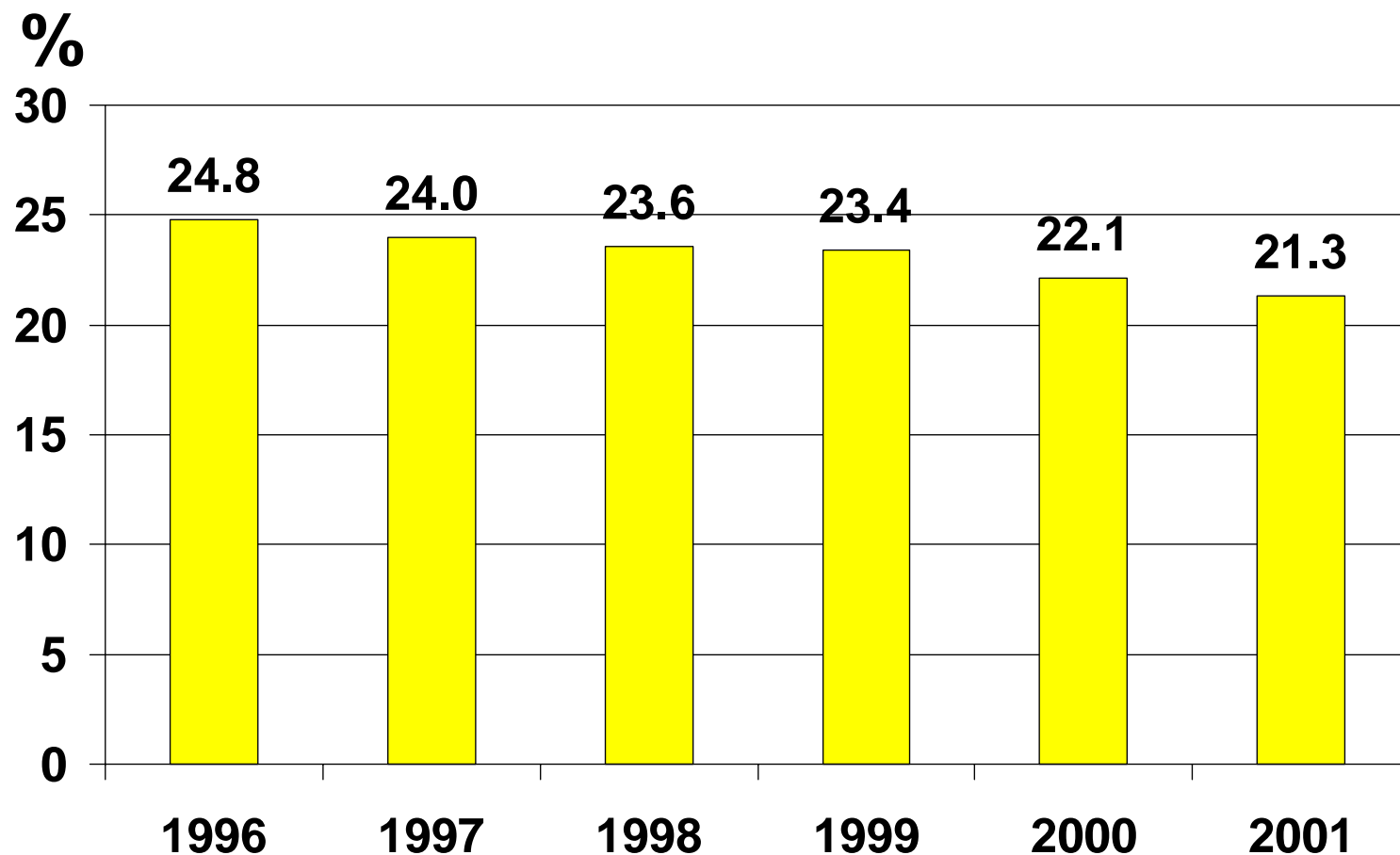
Trend in combined ratio (excl. hurricane claims)

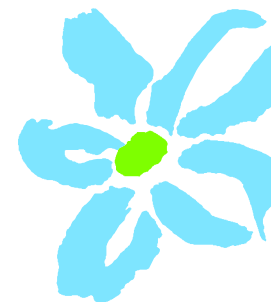




Non-life insurance

Trend in expense ratio



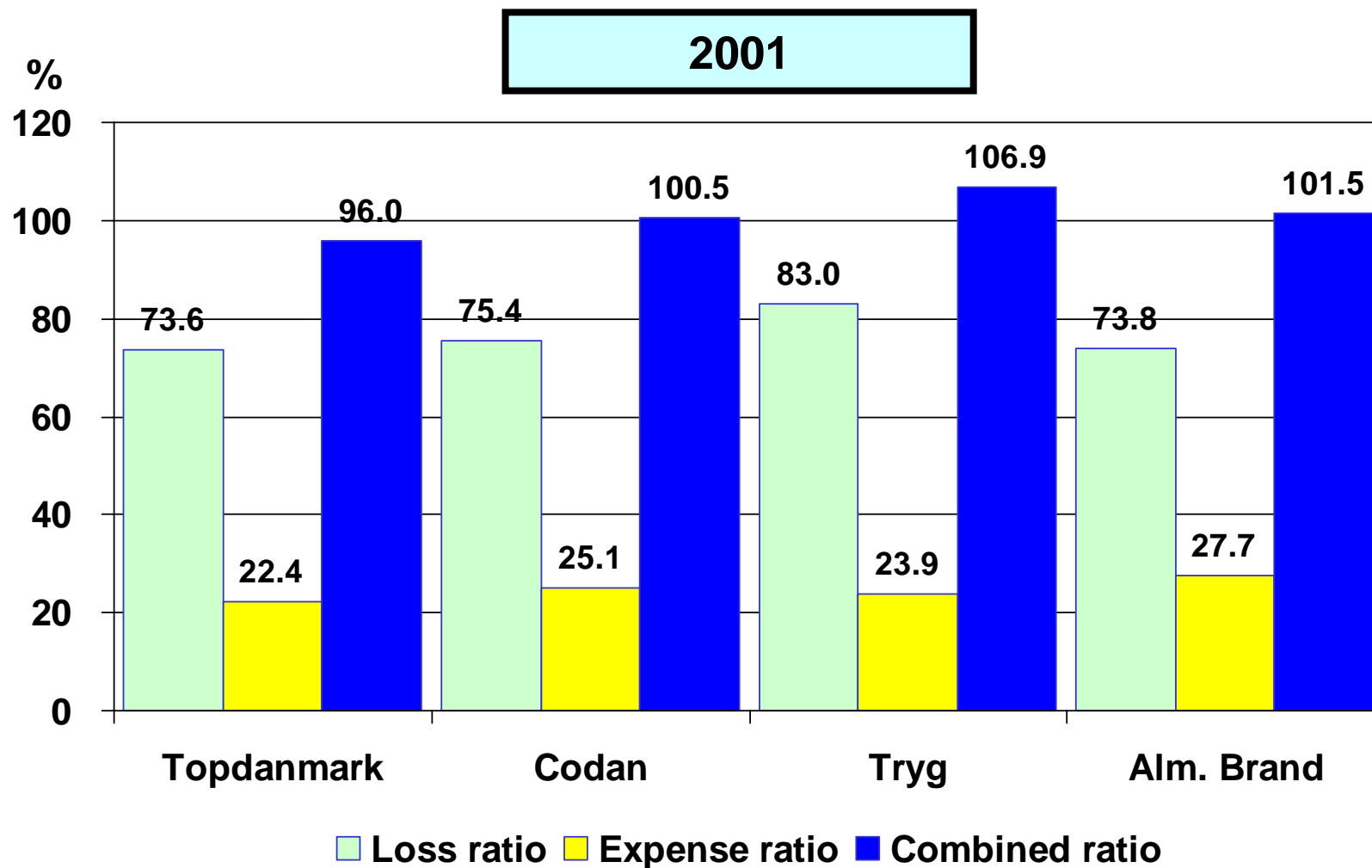
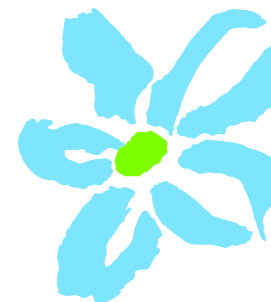


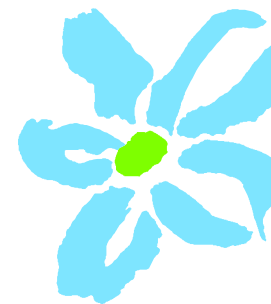
Non-life insurance

Trend in combined ratio 2001

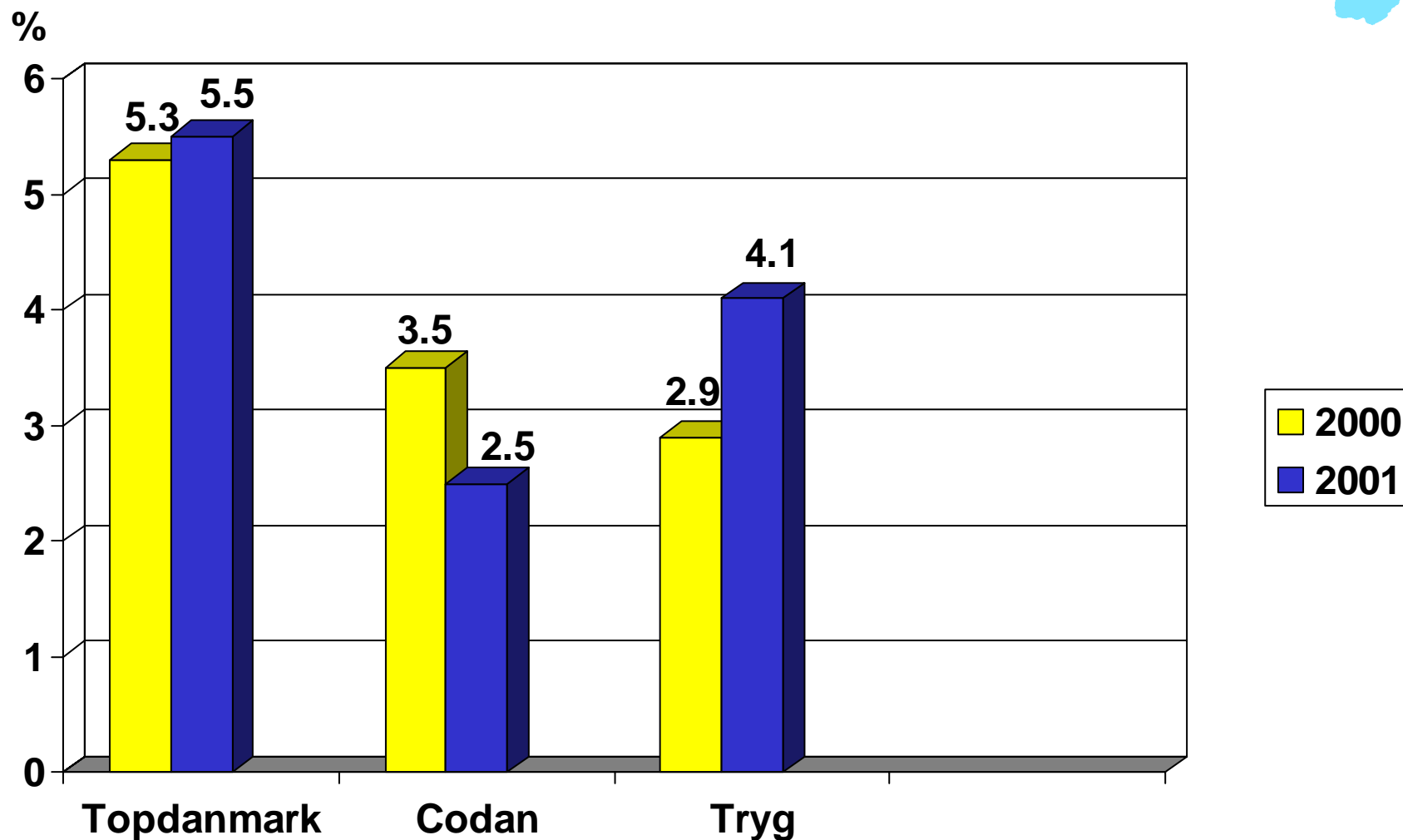
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>
Loss ratio (%)	80.8	70.2	80.6	67,7
Reinsurance ceded (%)	<u>(7.2)</u>	<u>4.0</u>	<u>(2.5)</u>	<u>6,5</u>
Claims trend	73.6	74.2	78.1	74.2
Expense ratio (%)	<u>21.8</u>	<u>21.7</u>	<u>21.0</u>	<u>20.9</u>
Combined ratio (%)	95.4	95.9	99,1	95.1

Non-life insurance Ratios on own account

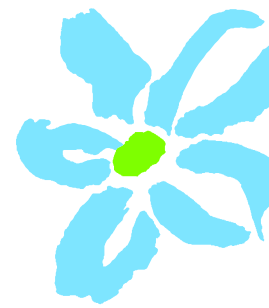




Non-life insurance Annual growth in premiums

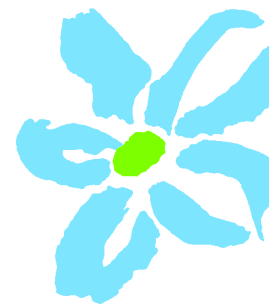


Non-life insurance Reinsurance



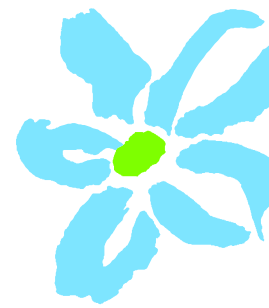
- **Increase in prices**
- **Increase in reinsurance prices passed on to customers, if possible**
- **However on a number of small contracts Topdanmark has had to charge price increases to its own accounts**
- **Higher expenses on storm programme assumed in budget as from 1 August 2002**
- **Expecting a better balance between supply and demand in reinsurance market**

Non-life insurance Perspectives



- **The Danish Act on civil liability provides increase in premiums with effect from 1 July 2002**
- **Distribution through "home" from 1 May 2002**
- **eBusiness**
- **7-8% growth in premiums expected in 2002**

Can profit be made on non-life insurance?



Assumptions

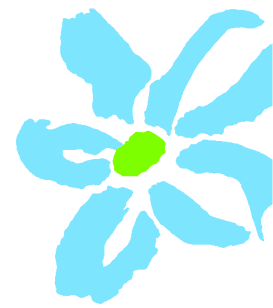
- Shareholders' funds 50% of premium income
- Combined ratio 96%
- Technical interest rate 4%
- Return on shareholders' funds 7%

Return on operations

• Income	100
• Technical interest	<u>4</u>
	104
• Expenditure	<u>96</u>
	8 ~ ROE = 16%

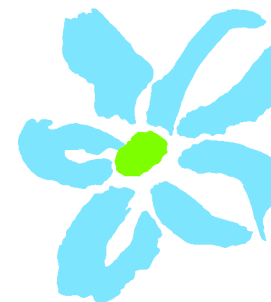
Return on shareholders' funds

• ROE before taxation	<u>7%</u>
	23%



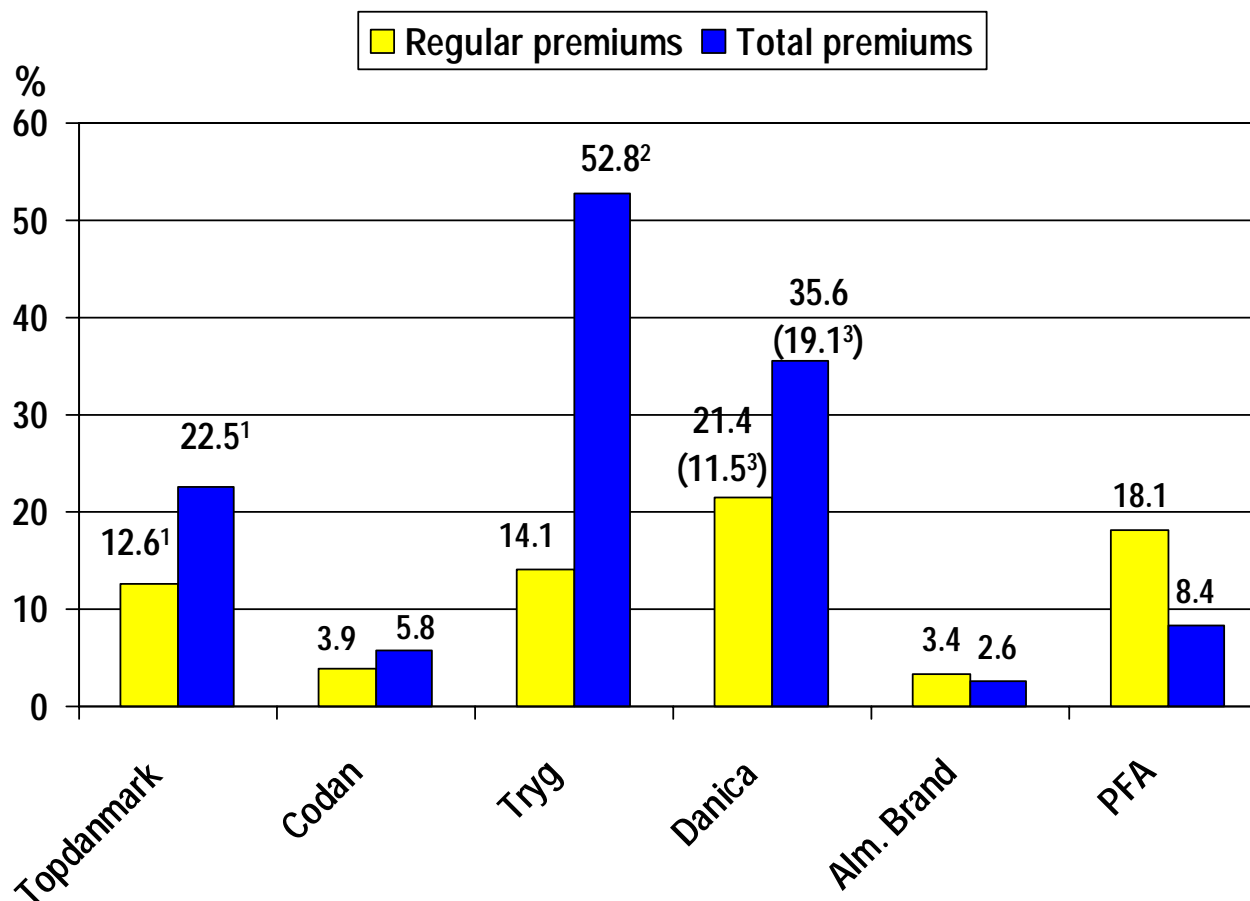
Life insurance Perspectives

- **Improved competitive position**
- **Unit-linked products introduced**
- **Satisfactory return on investments**
- **Expected premium growth higher than market in 2002**
- **New policy on calculation of profit**



Life insurance

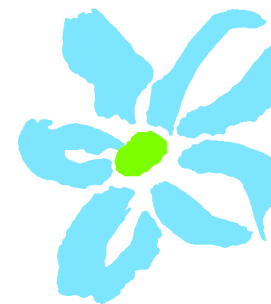
Growth in premiums



1) Excl. BG Pension

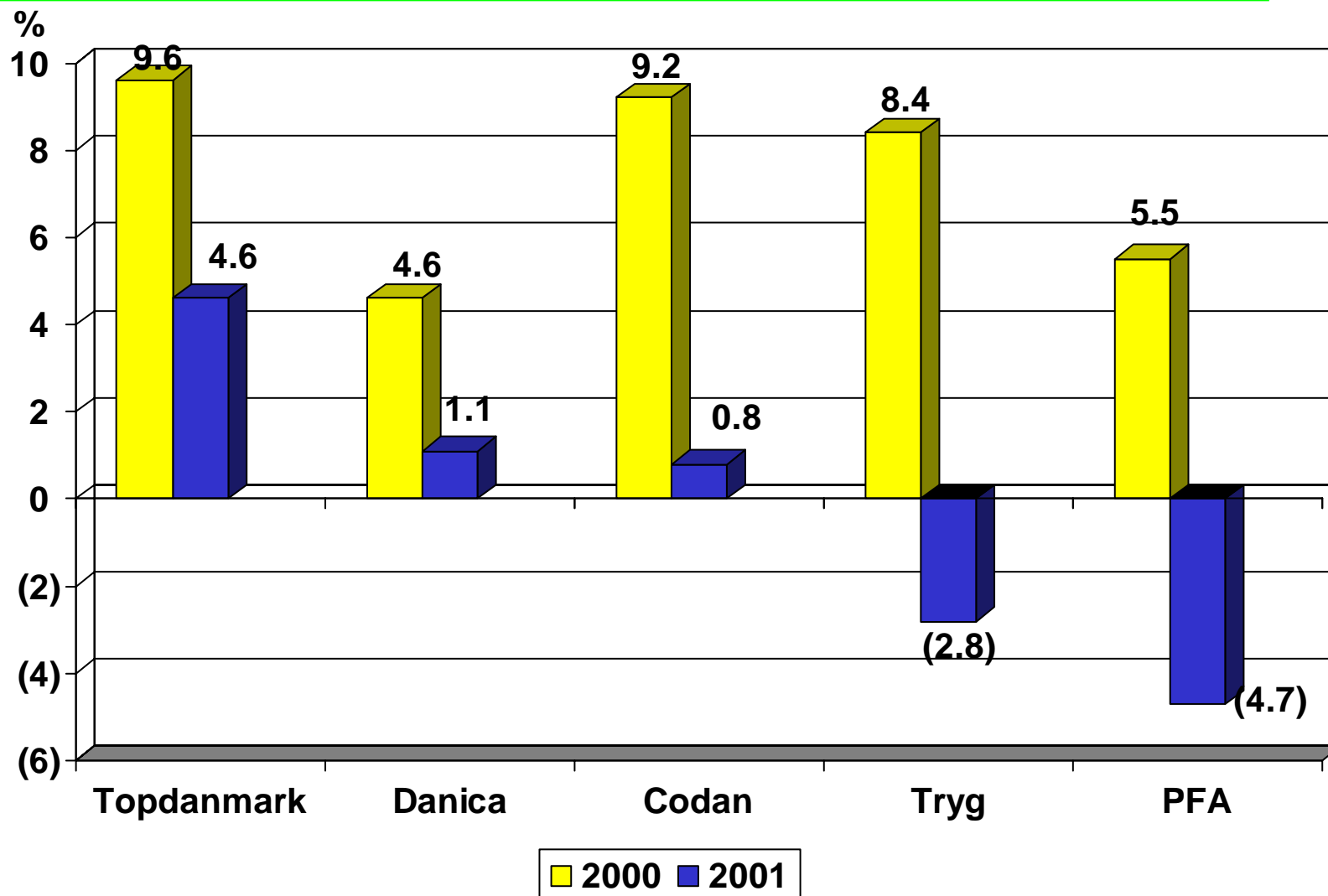
2) 22% excl. take-over of NESAs & IFV's Pension funds

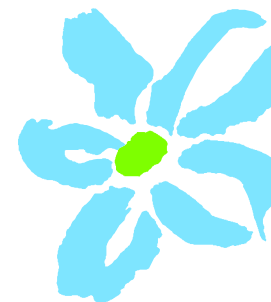
3) Incl. BG Pension for 2000



Life insurance

Return on investments before pension return tax

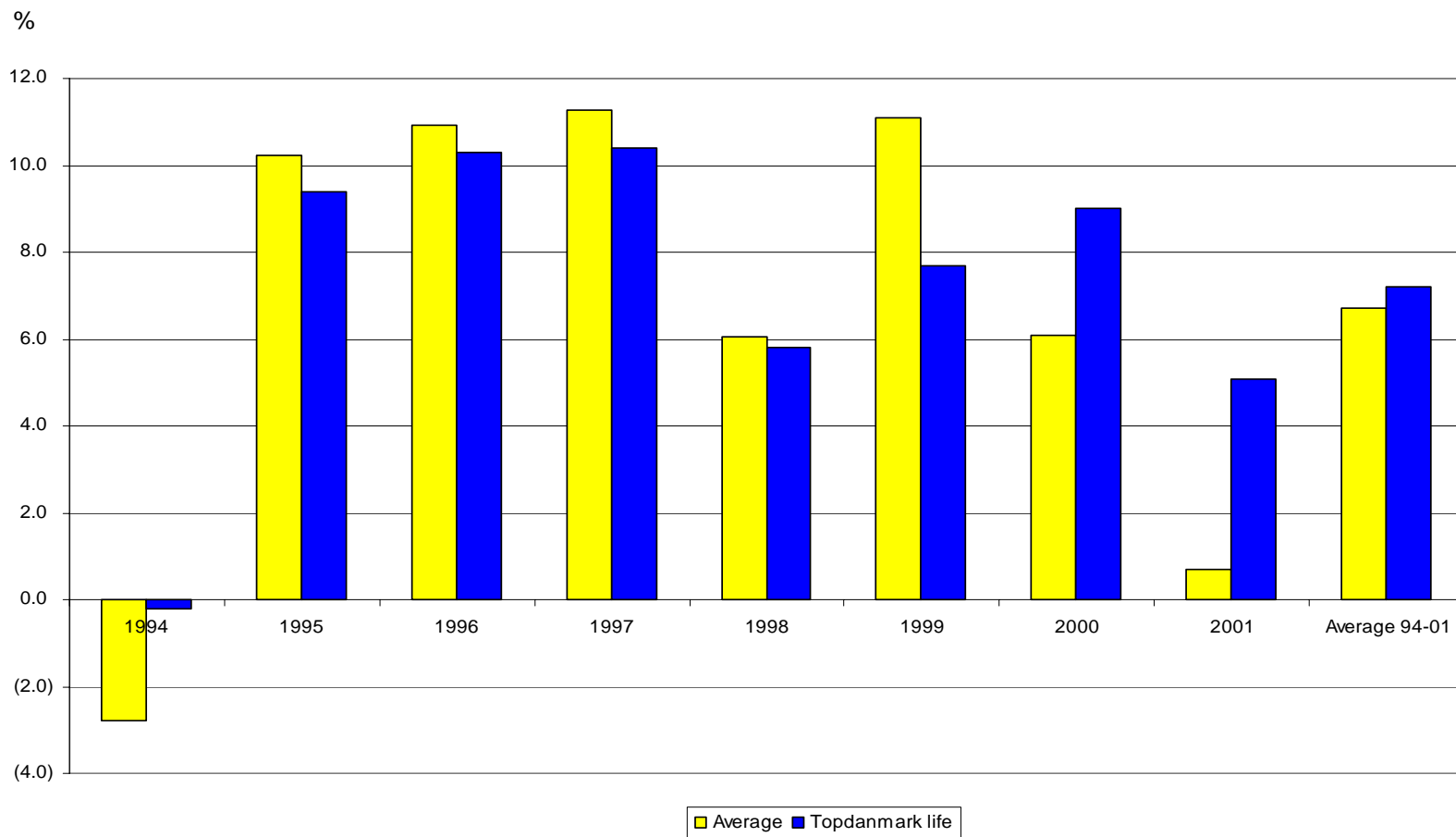




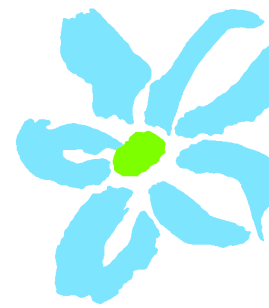
Life insurance

Trend in return on investments since 1994

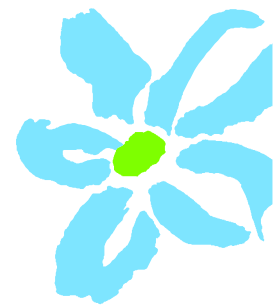
Return on investments



Structural alignment

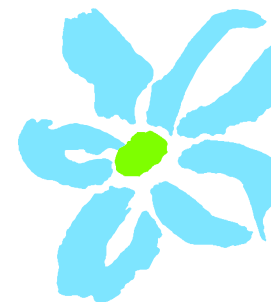


- Tryg
- Codan
- Alm. Brand
- if...
- Zurich
- PFA



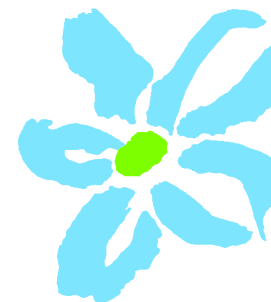
Share buy-back

- **Since 1998, 27% reduction in share capital due to share buy-back programme**
- **Expected share buy-back of DKK 600 - 700m in 2002**
- **Share buy-back for 2003 expected not to be lower than that for 2002**



Share buy-back

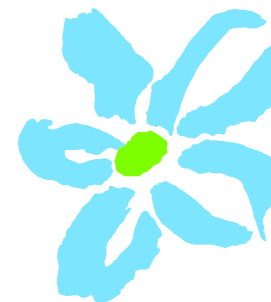
Size of shareholders' funds	<u>DKKm</u>	<u>DKKm</u>
2 x required solvency in non-life insurance (premium based)	1,742	
1.5 x required solvency in life insurance	837	
1 year's growth in required solvency	206	
0.3 x equity exposure (Group excl. life)	767	
1 x interest rate exposure (Group excl. life)	69	
0.3 x investment in run-off business	<u>49</u>	
		3,670
less equalisation provisions in Group excl. life and workers' compensation insurance		(171)
less up to 20% long-term loan capital		<u>(734)</u>
Reasonable shareholders' funds		2,765



Share buy-back

		<u>DKKm</u>
Shareholders' funds 1 Jan. 2002		3,640
Share holders' funds less tax asset	(478)	
Shareholders' funds less goodwill	(637)	<u>(1,115)</u>
Capital cover		2,525
Expected profit before goodwill / taxation		<u>811</u>
Expected capital cover 31 Dec. 2002		3,336
Reasonable capital cover 31 Dec. 2002	2,765	
Expected growth in capital cover		
2003 (5% increase in solvency)	139	<u>(2,904)</u>
Share buy-back potential 2002		432

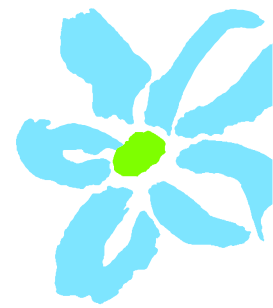
Profit forecast



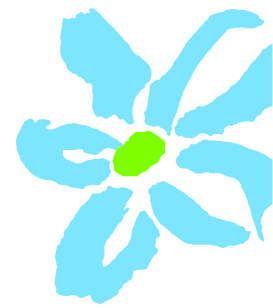
Profit forecast for 2002

DKKm	2000	2001	2002
Non-life insurance excl. Danske Bank shares	412	347	510 - 590
Life insurance	70	129	130 - 150
Parent company etc.	49	84	(30) - (10)
Profit before goodwill, extraordinary items and taxation	531	560	610 - 730
Goodwill amortisation and extraordinary items	(66)	(98)	67 - 67
Taxation	14	(26)	(132) - (152)
Profit excluding Danske Bank shares	479	436	545 - 645
Result on Danske Bank shares	526	(28)	(5) - (5)
Profit for the year	1.005	408	540 - 640

Expected gain on unwinding EurAPCo: DKK 50 - 99m



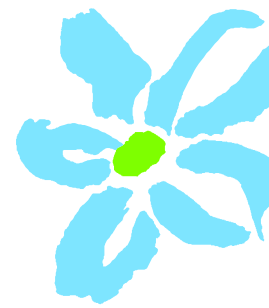
www.topfacts.dk



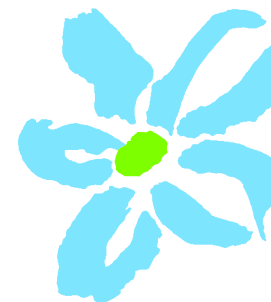
Appendix

Life insurance

New policy on calculation of profit



- **Profit in Topdanmark Livsforsikring defined as the sum of :**
 - **Interest on shareholders' funds (excl. shareholders' funds in unit-linked company) using rate of return on investments before pension return tax**
 - **Result of Topdanmark Link**
 - **Allowance for risk**
 - **The company always operates with a capital base equivalent to at least 150% of solvency margin**
 - **To allow for risk 5% of the capital base is added to profit**
 - **In addition a further 1% is taken on difference between total shareholders' funds and capital base**
 - **25% of overall administrative and risk result if it is a profit**
 - **Result of illness / accident insurance**
 - **Overall a more volatile result is expected, but not a lower average ROE**
-



Life insurance

Example of new policy on calculation of profit

Assumptions :

- Shareholders' funds 1 Jan. DKK 1,400m
- Return on investments 6%
- Solvency margin DKK 558m

Example

DKKm

Investment return on shareholders' fund

1,400 x 0.06

84

Result in Topdanmark Link

0

Allowance for risk

558 x 1.5 x 0.05

41

1,400 - (558 x 1.5) x 0.01

5

46

46

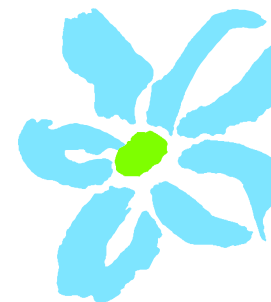
Administrative and risk result 28 x 0.25

7

Result from illness and accident insurance

9

146



Life insurance

Why Topdanmark Livsforsikring?

<u>Example</u>	<u>DKKm</u>
Investment return on shareholders' funds	84
Result from unit-link activities, risk allowance etc.	<u>62</u>
	146
Cost synergies	25
Asset management	<u>10</u>
	181
ROE	13%