

Enskilda Securities Nordic Seminar 2006



by Poul Almlund, Deputy CEO



Results:

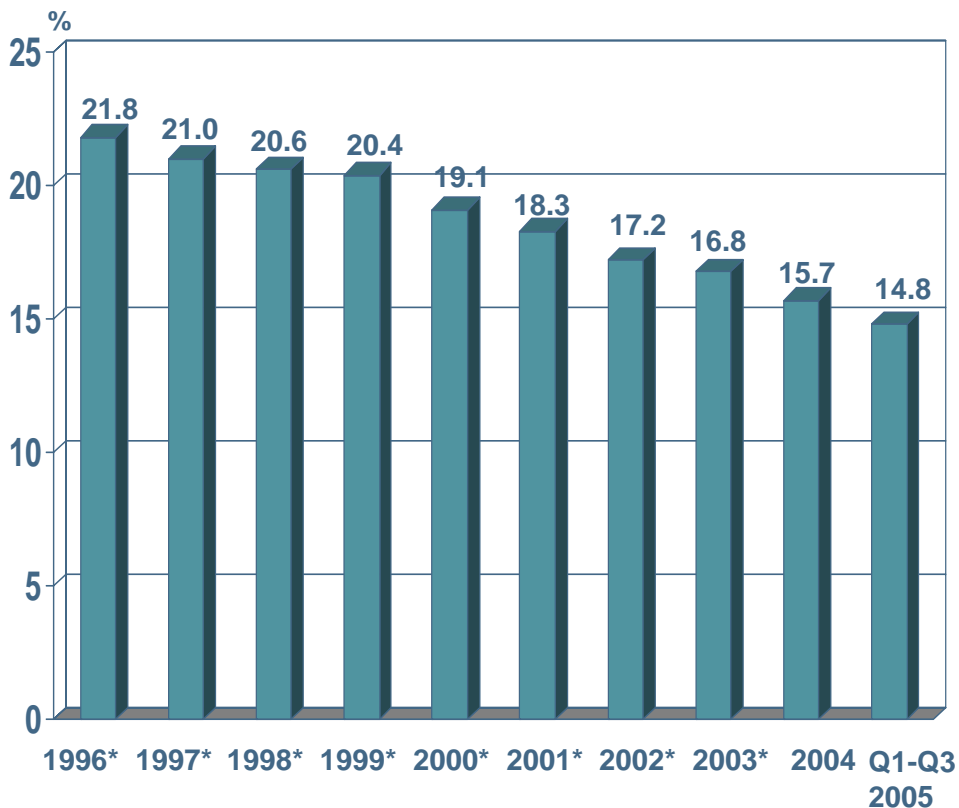
- 37% increase in post-tax profit to DKK 810m
- 6.8% premium growth in non-life and 7.5% in life
- Expense ratio declined from 15.8% to 14.8%
- Combined ratio increased from 91.9% to 92.1%
- Combined ratio of 89.1% in Q3

Prospects:

- Expected combined ratio for 2005 improved from just over 92% to just under 92%
- Profit forecast for 2005 upgraded from DKK 800 - 900m to DKK 925 - 1,025m
- Share buy- back programme correspondingly upgraded by DKK 125m to DKK 725 - 825m
- Expected combined ratio of around 91% in 2006

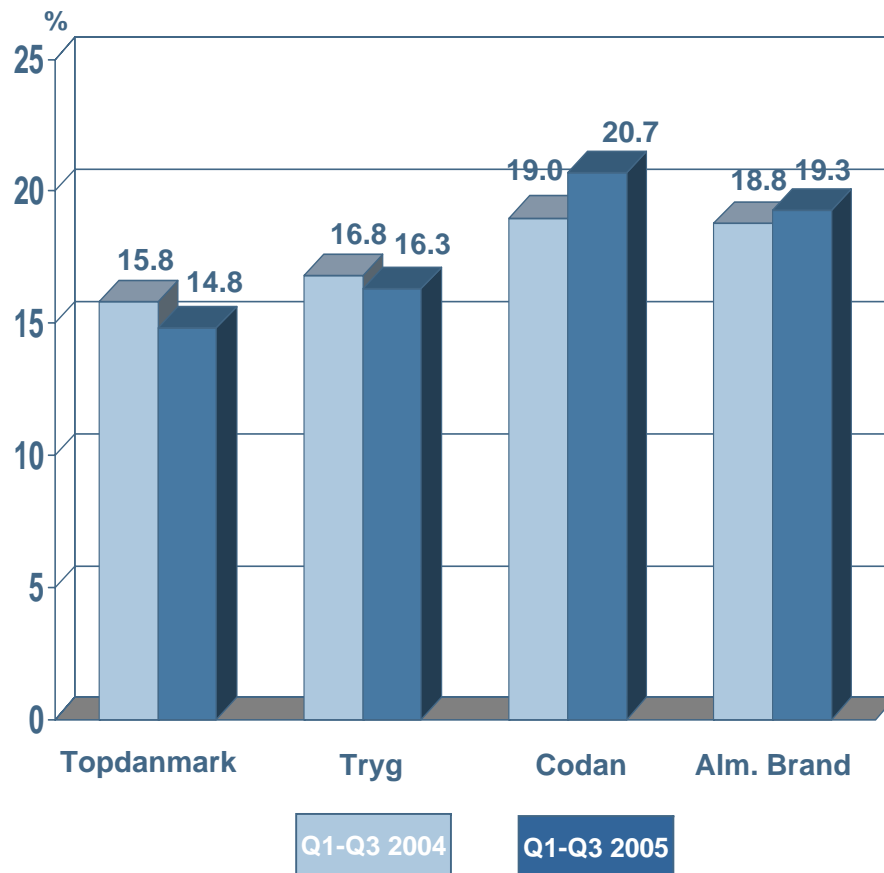
Further decline in Topdanmark's expense ratio and lowest level maintained

Topdanmark



*Reduced by estimated IFRS effect 1996 - 2003

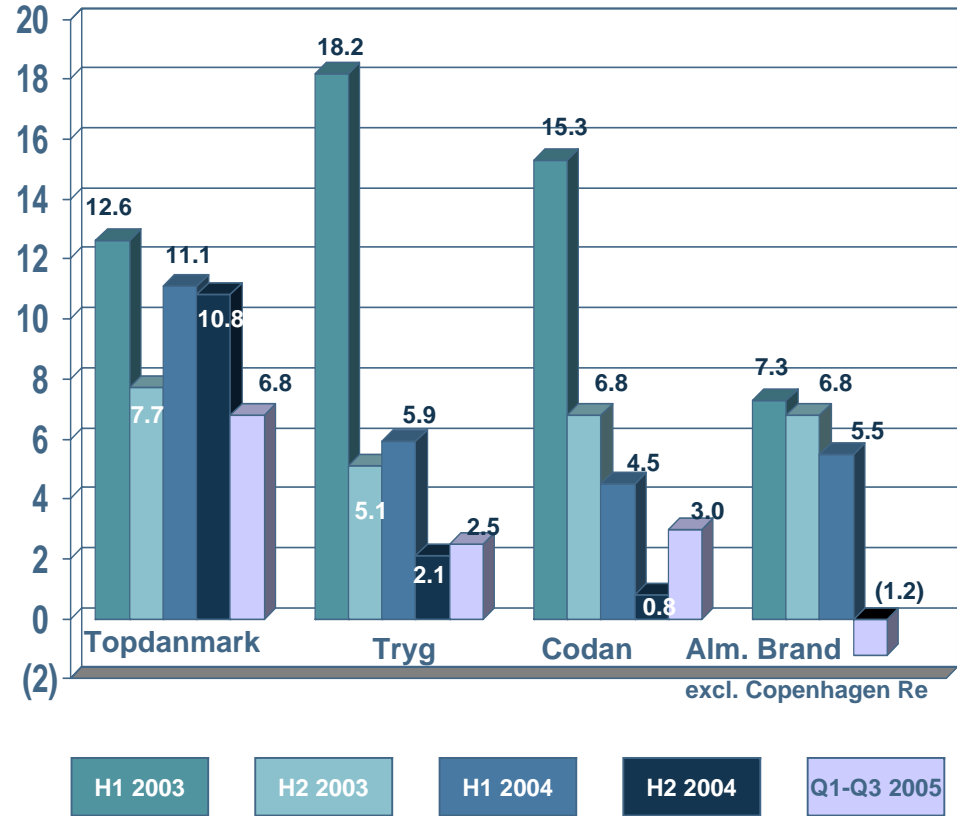
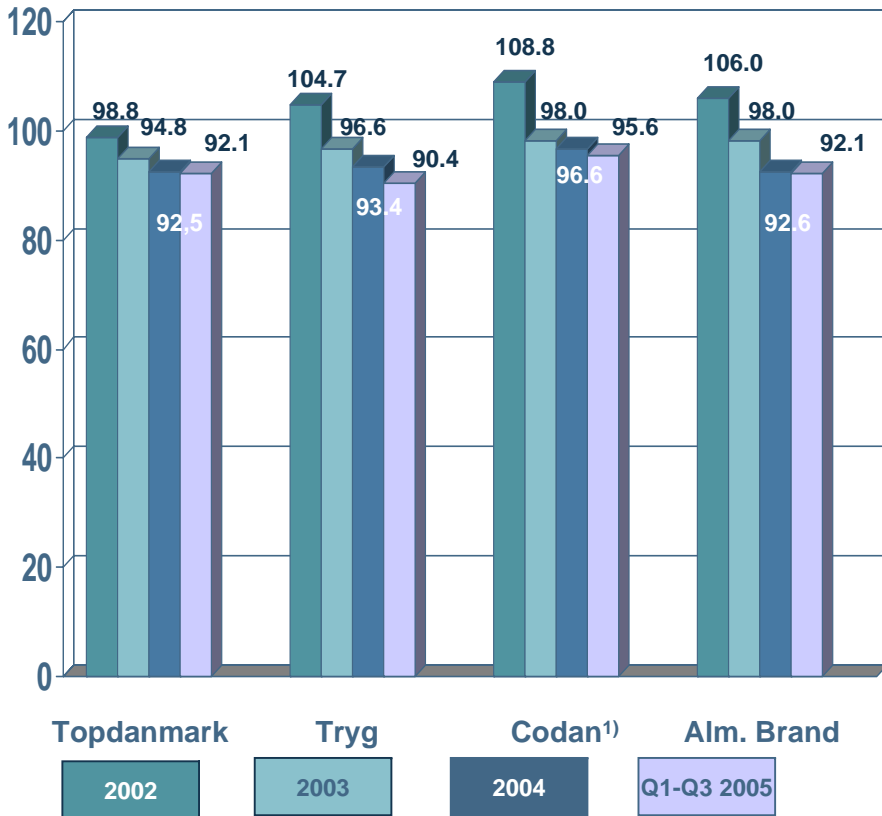
Danish non-life insurance



Topdanmark: Improved competitiveness lead to premium growth exceeding market

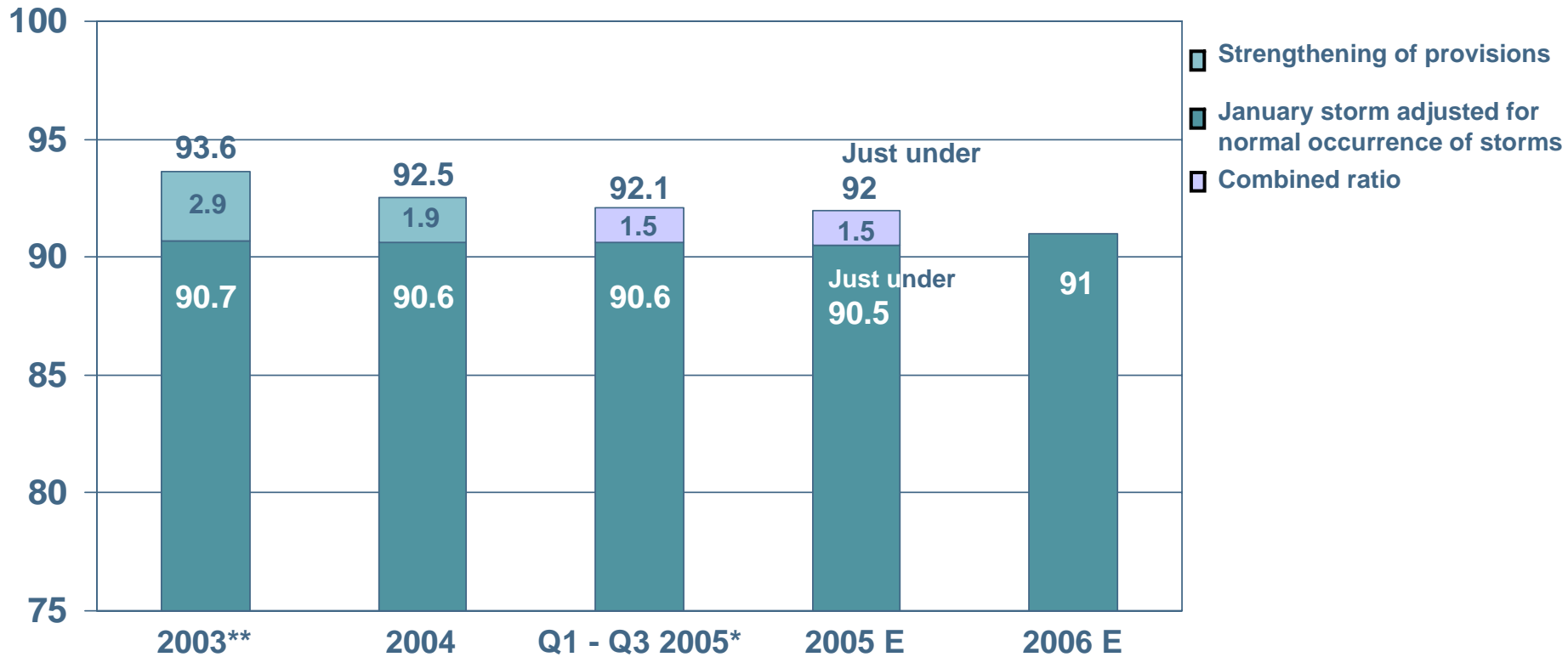
Combined ratio (Danish insurance)

Premium growth (Danish insurance)



1) Excl. discounting of claims provisions and internal rent

Combined ratio stable at around 91%



* excl. January storm

** 2003 reduced by estimated IFRS effect

2005

6 - 7% expected premium growth for 2005

- 2 - 3% estimated market growth in 2005

Improving quality of customer portfolio

- Relatively high premium growth in personal and commercial markets
- Premium decline in industrial market

Reinsurance programme on storm increased by DKK 1bn to DKK 5bn from 1 November 2005

Declining claims frequency in motor insurance

- Positive impact from penalty points system from 1 September 2005

Expected combined ratio of just under 92% for 2005

- Previous expectation: Just over 92%
- Expected combined ratio of 91% in Q4 2004

Interest rate exposure of DKK 25m in the event of a one per cent parallel shift in the interest rate curve

2006

Social index of 12.2% in workers' compensation from 1 January 2006

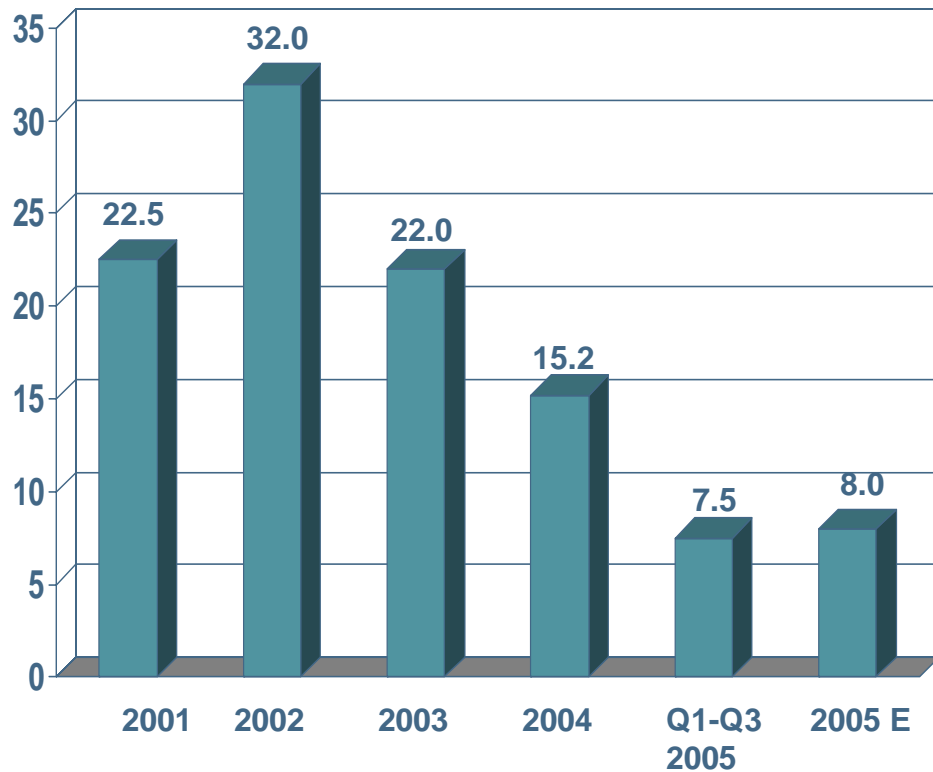
Micro rating for contents to start in 2006

Expected combined ratio of around 91% in 2006

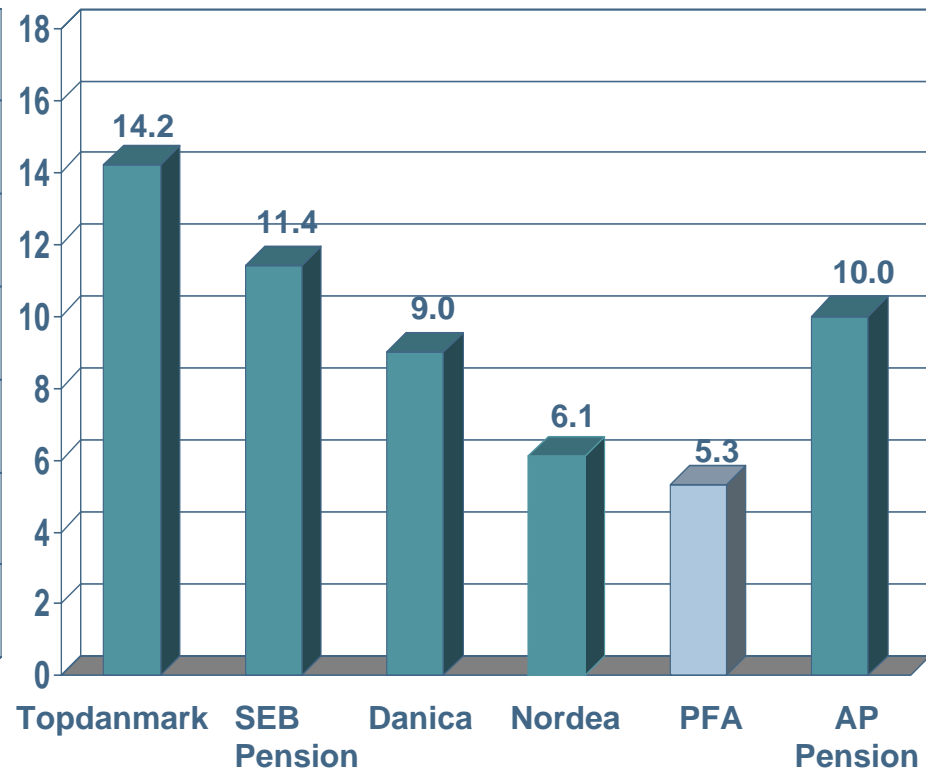
Continued high growth in regular premiums

7

Premium growth



Comparison of premium growth in regular premiums



Topdanmark

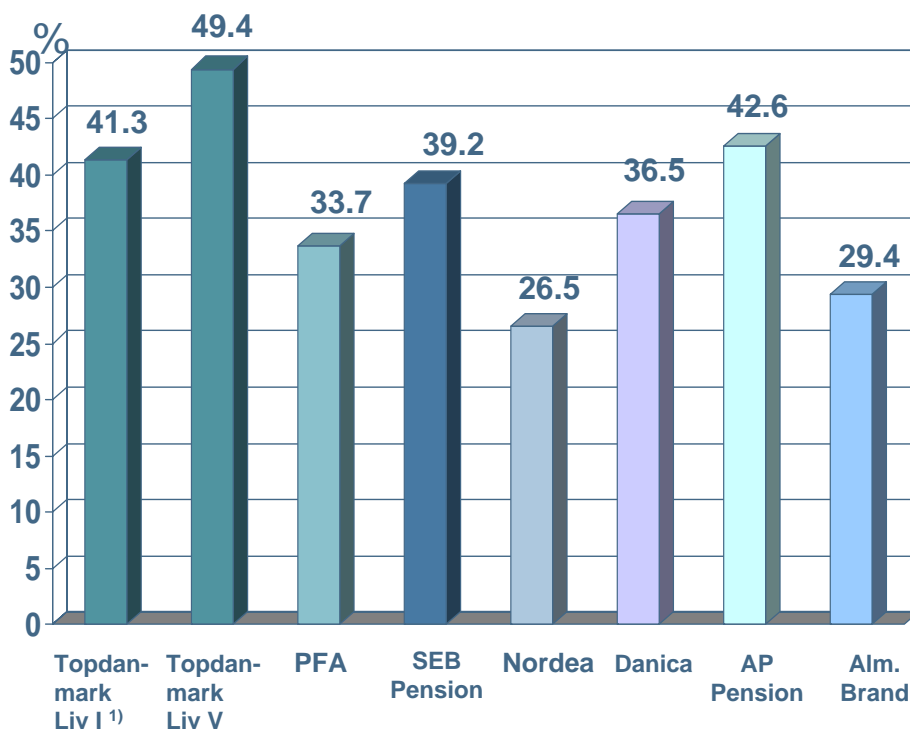
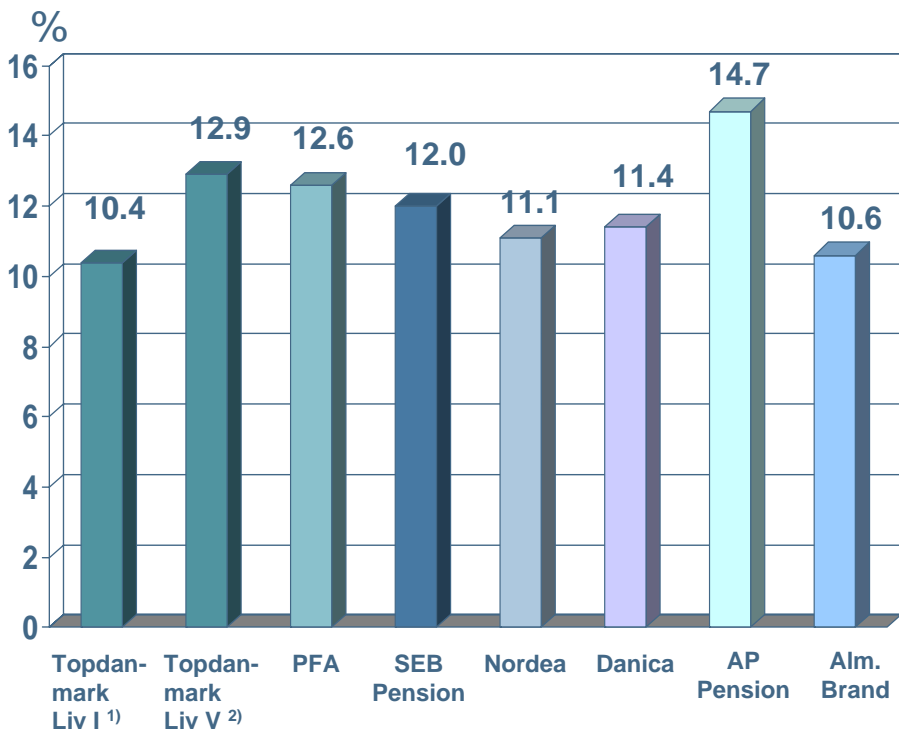
H1 2005

Q1-Q3 2005

Topdanmark has the highest accumulated investment return

Investment return Q1-Q3 2005

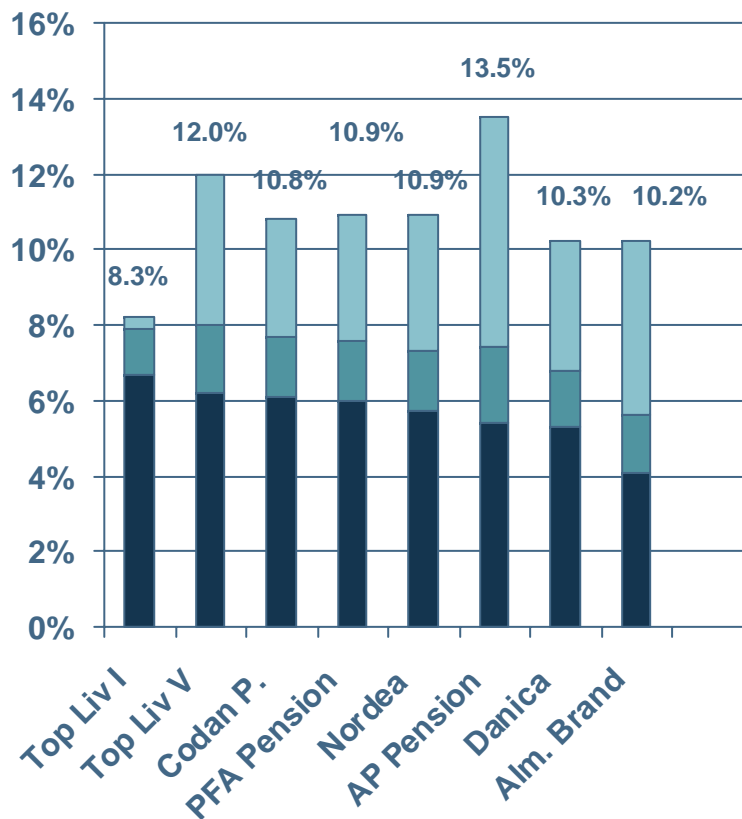
Accumulated investment return 2001 - Q1-Q3 2005



1) 2.5% and 1.5% guaranteed benefits
2) 4.5% guaranteed benefits

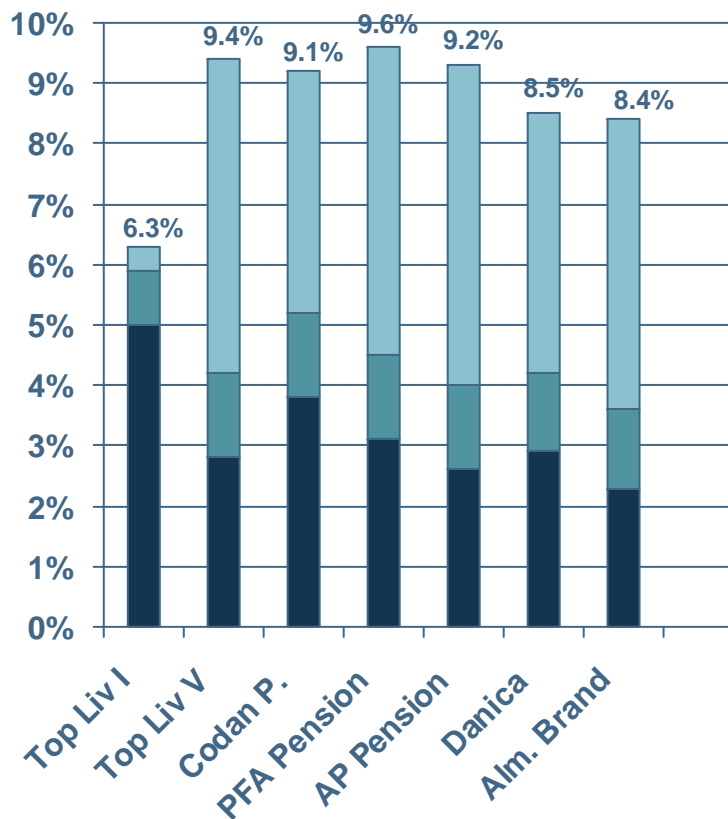
Comparison of net and gross returns

2004



■ Available ■ PAL ■ Changed strengthening

H1 2005



■ Available ■ PAL ■ Changed strengthening

Expected premium growth for 2005 upgraded from 5% to 8%

10.6% bonus ratio in Liv I among the highest in the market

Increased customer mobility

Increased penetration among large businesses

High customer satisfaction in research by Aalund Business Research

Continued growth in health insurance

- More frequently part of collective agreements

Topdanmark has upgraded its post-tax profit forecast for 2005 by DKK 125m to DKK 925 - 1,025m

Forecast assumptions for 2005 are based on equity prices at 18 November 2005

Share buy-back for 2005 upgraded by DKK 125m

12

Share buy-back programme for 2005 upgraded by DKK 125m to DKK 725 - 825m

- Corresponding to a yield of 7%

Given the advanced time of the year, most of increased element of share buy-back will occur in 2006

2005 to date DKK 646m shares bought back

www.topdanmark.com

- a source of up-to-date
information on Topdanmark

Disclaimer

This presentation includes statements relating to the future. Such statements are uncertain and involve both general and specific risks.

Many factors may cause a significant deviation from the forecasts set out in the presentation. Such factors could be, for example, cyclical movements, changes in the financial markets, the financial effect of non-anticipated events like acts of terror or exceptional weather conditions, changes in Danish and EU rules, competitive factors in the insurance industry and trend in reinsurance market. Also see “Risk factors” on our website www.topdanmark.com → Value creation → Value creation through share price model → Risk factors.

The above description of risk factors is not exhaustive. Investors and others who may base decisions relating to Topdanmark on statements relating to the future, should make their own careful considerations on these and other factors of uncertainty.

Topdanmark’s statements relating to the future are solely based on information known at the time of the preparation of the Q1 - Q 3 2005 interim report.

This publication is a translation. In case of any divergence, the original Danish text shall prevail.

Appendix

Proforma calculation

- new accounting rules as from 2005

16

	2004 Policies	Claims handling	Dis- counting	Other changes	Total	Internal rent	IFRS
Loss ratio (%)	73.0	3.2	(1.4)	0.0	74.8	(0.2)	74.6
Net reinsurance ratio (%)	2.0	0.0	0.0	0.0	2.0	0.0	2.0
Claims trend (%)	75.0	3.2	(1.4)	0.0	76.8	(0.2)	76.6
Expense ratio (%)	18.7	(3.1)	0.0	0.1	15.7	(0.5)	15.2
Combined ratio (%)	93.7	0.1	(1.4)	0.1	92.5	(0.7)	91.8

2004 (DKK m)	Shareholders' funds 1 January	Result 9 months	Shareholders' funds 30 September	Result 2004	Shareholders' funds 31 December
Previous policies	3,612	553	3,546	743	3,568
Changes					
Own shares	(437)	(90)	(414)	(140)	(437)
Share-based payment	173	75	189	117	214
Equalisation provisions excl. workers' compensation	148	2	150	8	156
Discounting of claims provisions	190	16	206	12	202
Claims handling expenses	(204)	0	(204)	(3)	(208)
Goodwill	(48)	60	11	79	31
Staff benefits	(119)	(4)	(123)	(6)	(125)
Deferred tax excl. security funds	(13)	(8)	(21)	(22)	(35)
Other	8	(6)	10	(8)	11
Tax effect of changes in policies	(6)	(5)	(12)	(4)	(10)
	(308)	40	(208)	33	(201)
Result and shareholders' funds of parent company	3,304	593	3,338	776	3,367
Deferred tax on security funds	(417)	0	(417)	0	(417)
Result and shareholders' funds of Group	2,887	593	2,921	776	2,950

Assumptions

- Shareholders' funds 33% of premium income
- Combined ratio 92%
- Interest income on provisions (incl. discounting effect) equal to 1.0% of premium income
- Return on shareholders' funds 5%

Return on operations

• Income	100.0	
• Interest income	<u>1.0</u>	
	101.0	
• Expenditure	<u>92.0</u>	
	9.0	~ ROE = 27.0%

Return on shareholders' funds

• ROE before taxation		<u>5.0%</u>
		32.0%

	DKKm	DKKm
2 x required solvency in non-life (premium based)	2,407	
1.5 x required solvency in life	1,169	
1 year's growth in required solvency	179	
0.3 x equity exposure (Group excl. life)	427	
1 x interest rate exposure (Group excl. life)	<u>25</u>	
		4,207
financed by subordinated loan capital, long-term loan capital or committed lines to parent company (20% of DKK 4,207m plus expected proceeds on redemption of warrants at strike price)		<u>(937)</u>
Total shareholders' funds		3,270

DKKm

Shareholders' funds 1 Jan 2005		3,367	
Less: tax asset	(80)		
goodwill	(441)		
Value of own shares on exercise of share options	137		
Value of own shares to hedge warrant scheme	103		
		<u>(281)</u>	
Capital cover		3,086	
Expected profit and movements in shareholders' funds after cash-impacting tax 2005 (average value)		<u>1,087</u>	
Expected capital cover 31 Dec			4,173
Reasonable level of capital cover		3,270	
80% of 1 year's normal growth in required solvency		<u>150</u>	
Expected reasonable level of capital cover 31 Dec			<u>3,420</u>
Share buy-back potential 2005			753

Assumptions:

- Solvency minimum: DKK 844m
- Minimum capital requirement: $120\% \times \text{solvency minimum} = \text{DKK } 1,013\text{m}$
- Investment return on shareholders' funds: 5%
- Risk and administrative result: 1% of premiums = DKK 23m
- Insurance technical result before bonus contribution being in profit
- Customers' savings: Liv I : DKK 7.9bn.
 Liv V : DKK 7.9bn

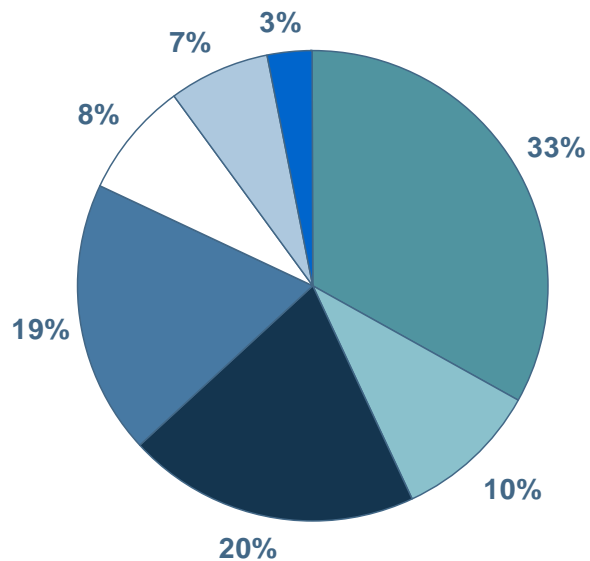
Return on life insurance:

	DKKm	
Investment return on minimum capital requirement 5%	51	
Risk allowance : 0.40% / 0.55% of customers' savings	75	
25% of risk and administrative result	<u>6</u>	
		132 ~ ROE = 14.1%

Other life-related result:

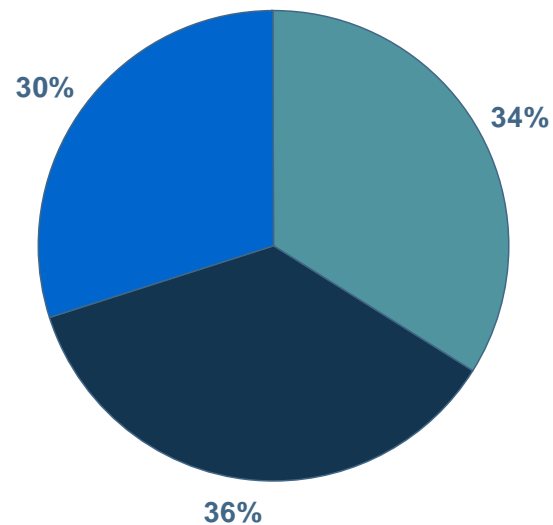
Life-related non-life (health insurance and critical illness insurance etc.)	20	
Asset management	15	
Other synergies within, among others, distribution	<u>25</u>	
		<u>60</u>
		192 ~ ROE = 20.5%

Non-life 2004

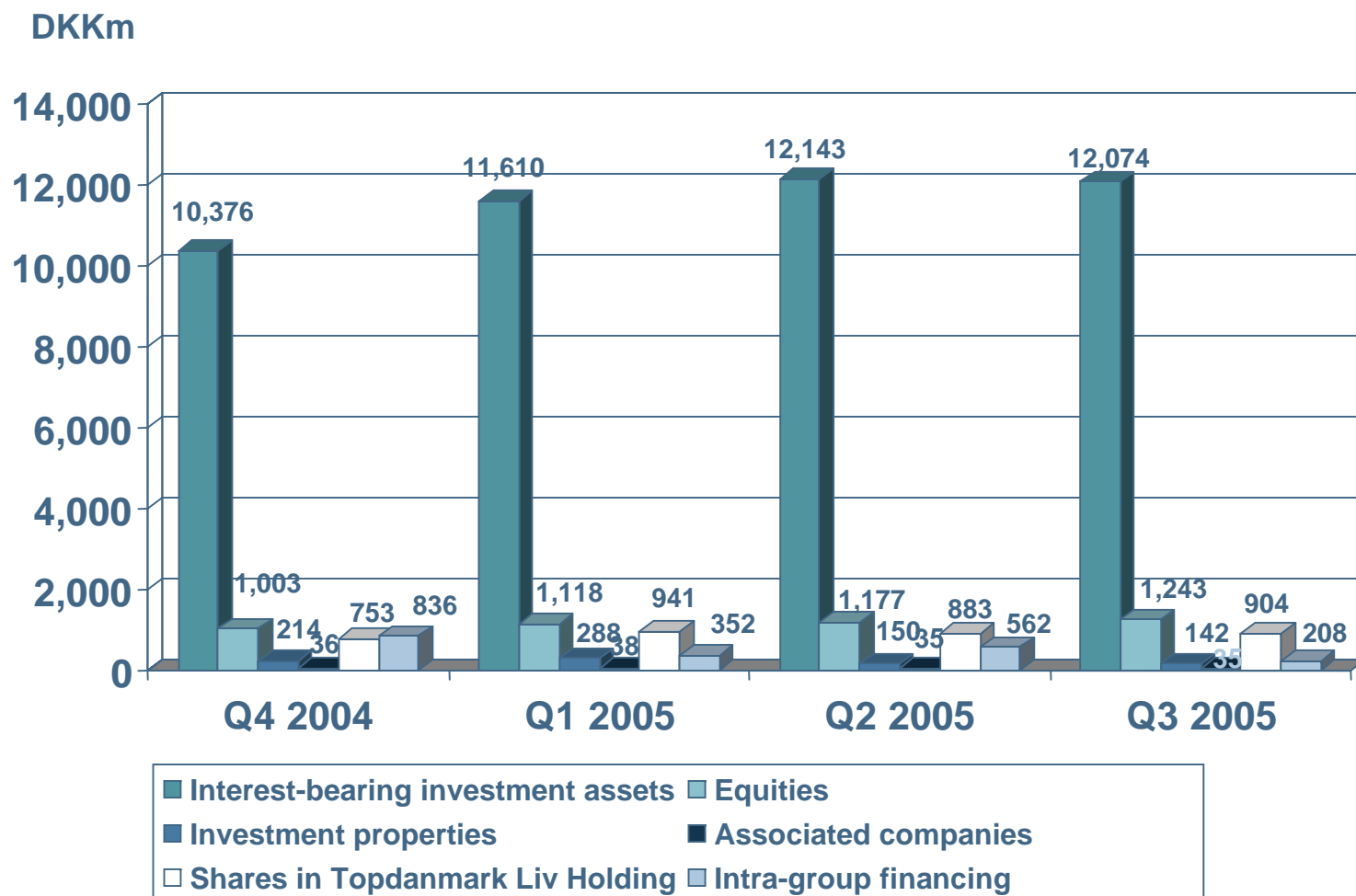


- Certified insurance sales reps
- Danske Bank/BG Bank
- Others (Telephone sales etc.)
- Car dealers
- Sales centres
- Danica Pension
- Brokers

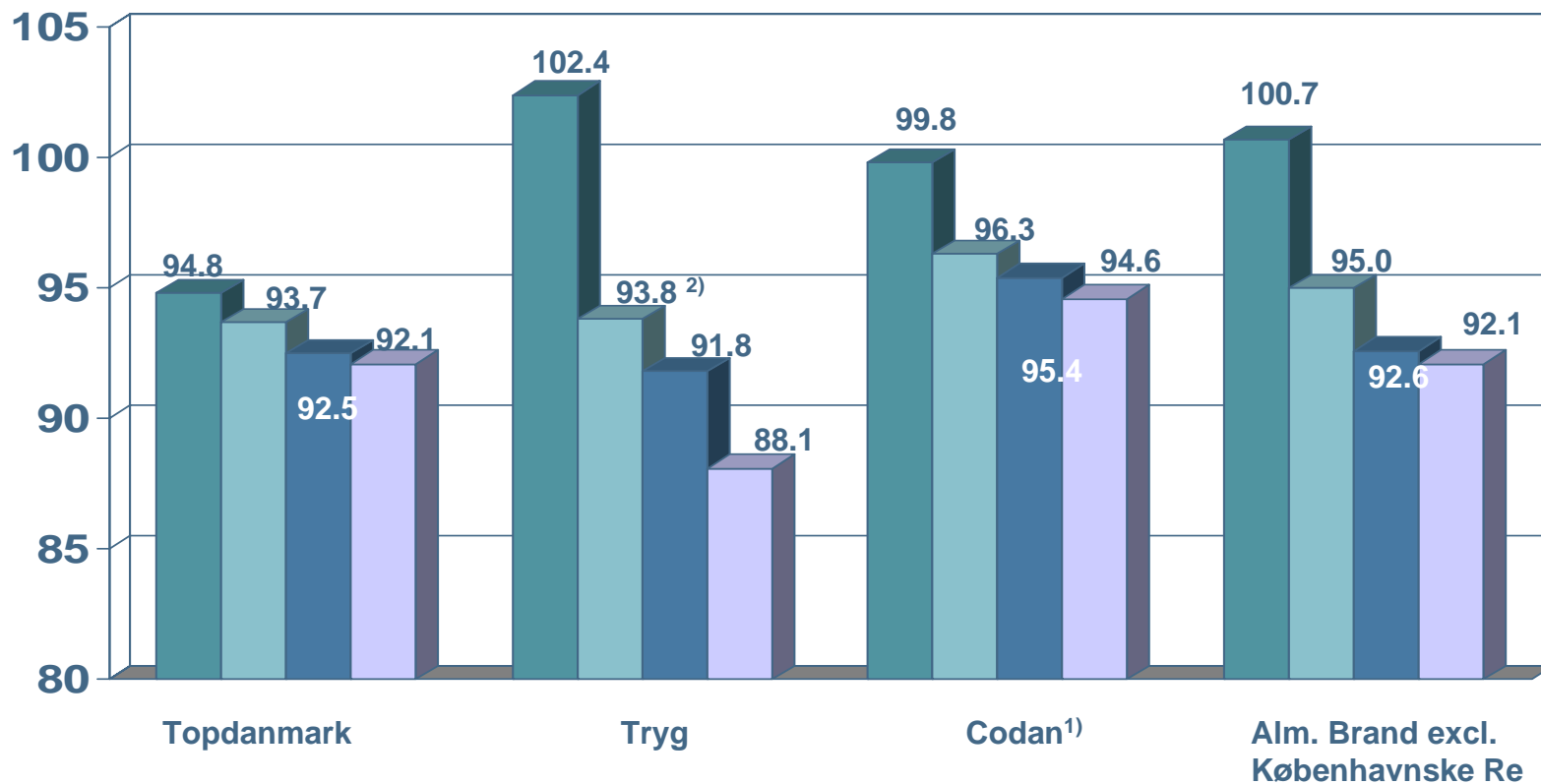
Life 2004



- Certified insurance sales reps
- Others (Telephone sales etc.)
- Brokers



Combined ratios at a group level



1) Excl. discounting of claims provisions and internal rent

2) Excl. reinsurance settlement costs of 0.6%

2003

2004

2004 IFRS

Q1-Q3 2005