

# Topdanmark's results

## Q1 2003



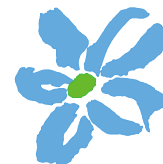
# Key features of Q1 2003

- DKK 102m post-tax profit after transfer of DKK 24m to equalisation provisions
  - Q1 2002 : DKK 100m plus non-recurring income of DKK 112m
- Cash flow of DKK 133m (Q1 2002 : DKK 185m)
- Expense ratio improved to 19.7% (Q1 2002: 20.9%)
- Combined ratio declined to 95.0% (Q1 2002: 100.7%)
- Premium growth / decline
  - Non-life            14.1% growth
  - Life                 8.1% decline
    - Regular premiums    14.9% growth

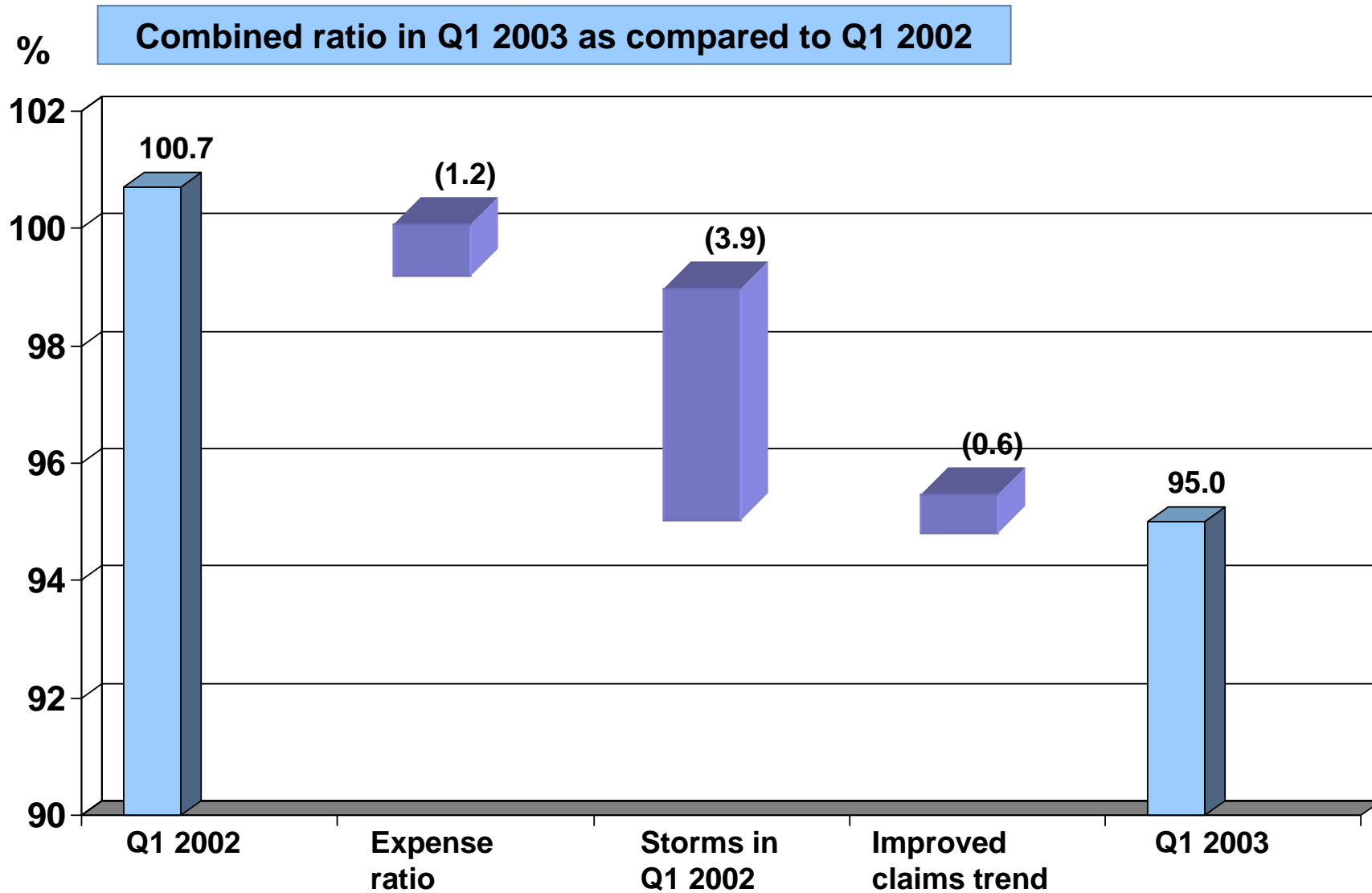


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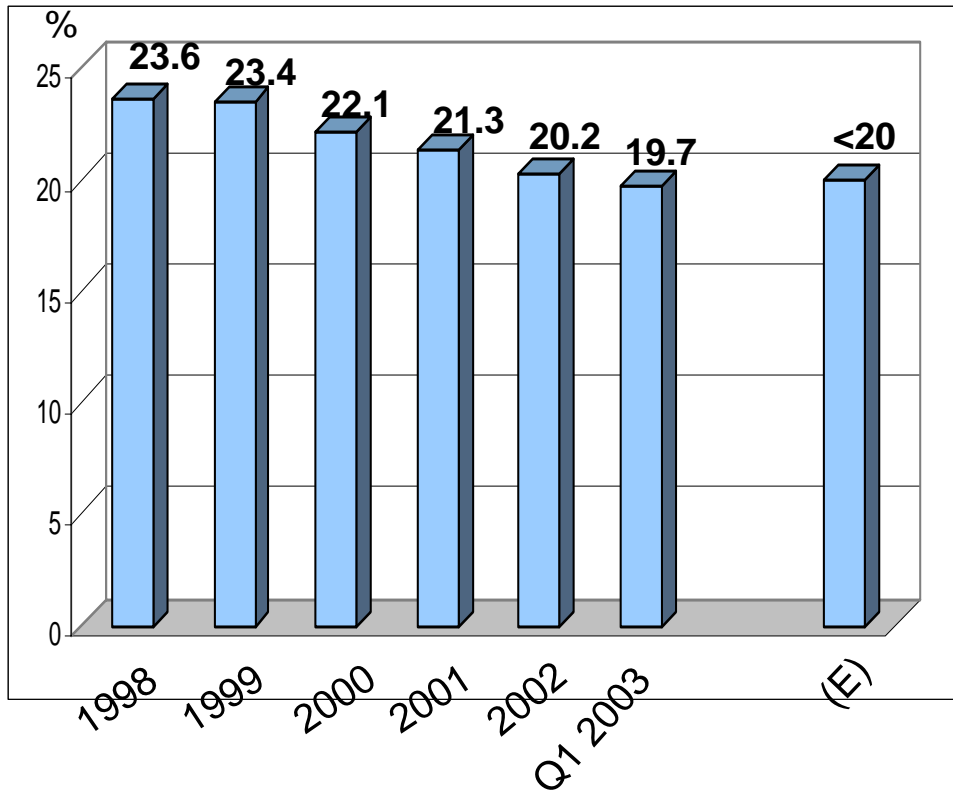
# Improved combined ratio



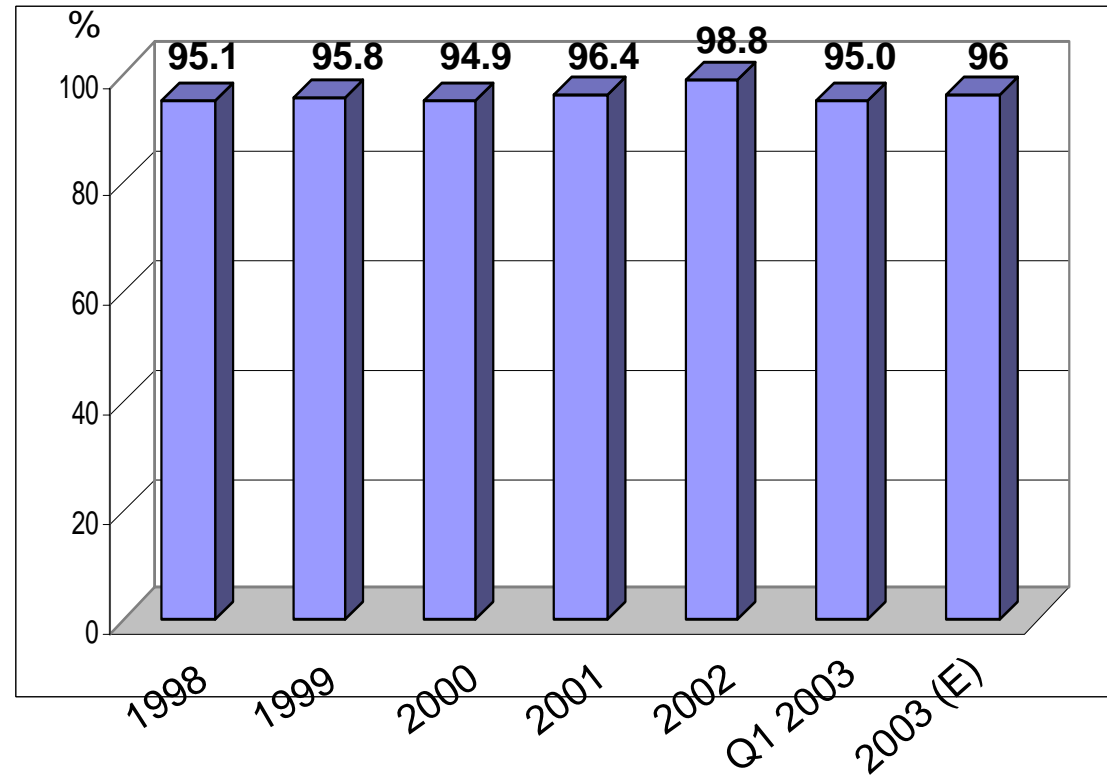
**Non-life**

# Continued decline in expense ratio

Expense ratio



Combined ratio - excl. 1999-hurricane



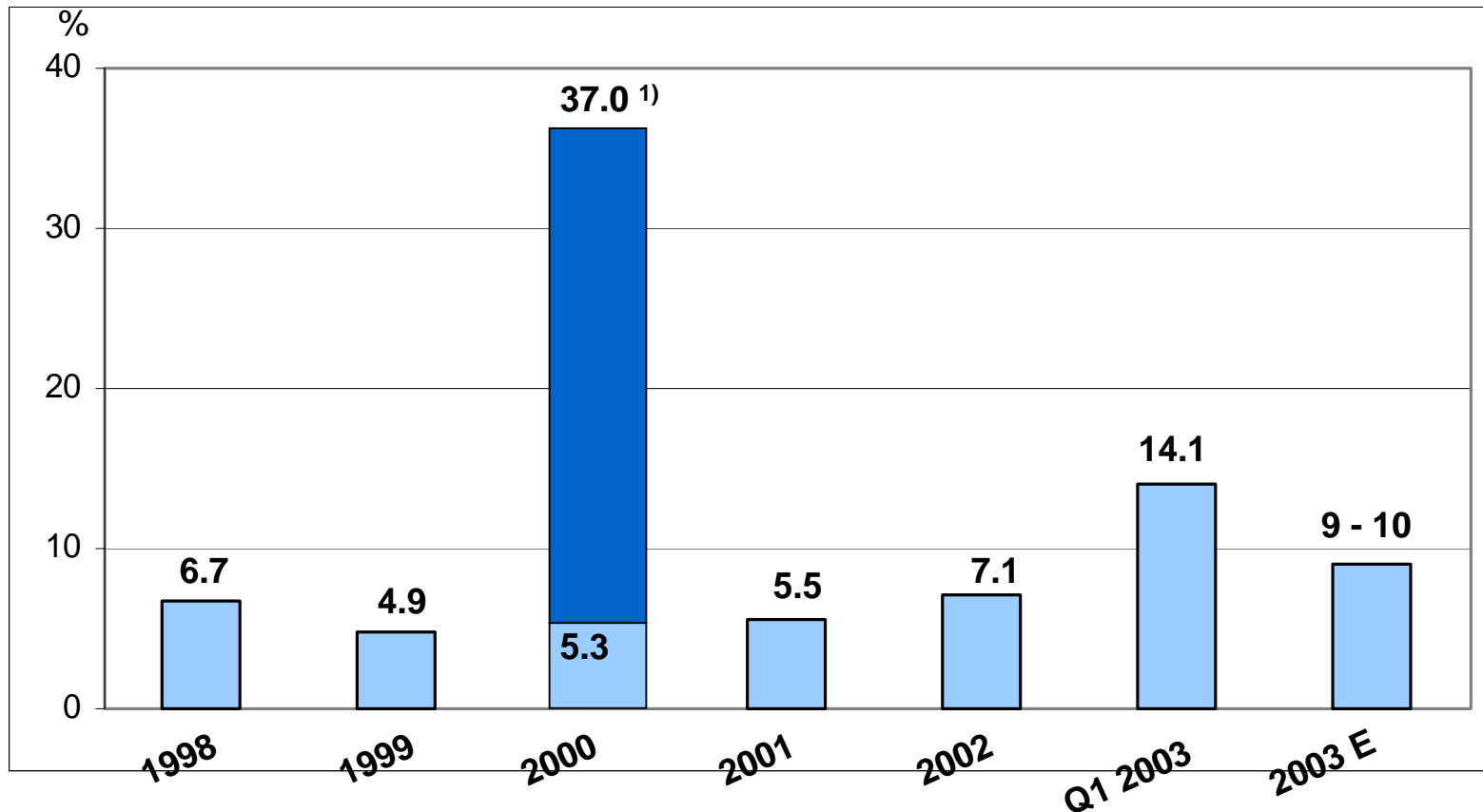
Non-life

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# Growth in non-life premiums

## Premium growth



<sup>1)</sup> Including the acquisition of Danske Forsikring / Danica Forsikring

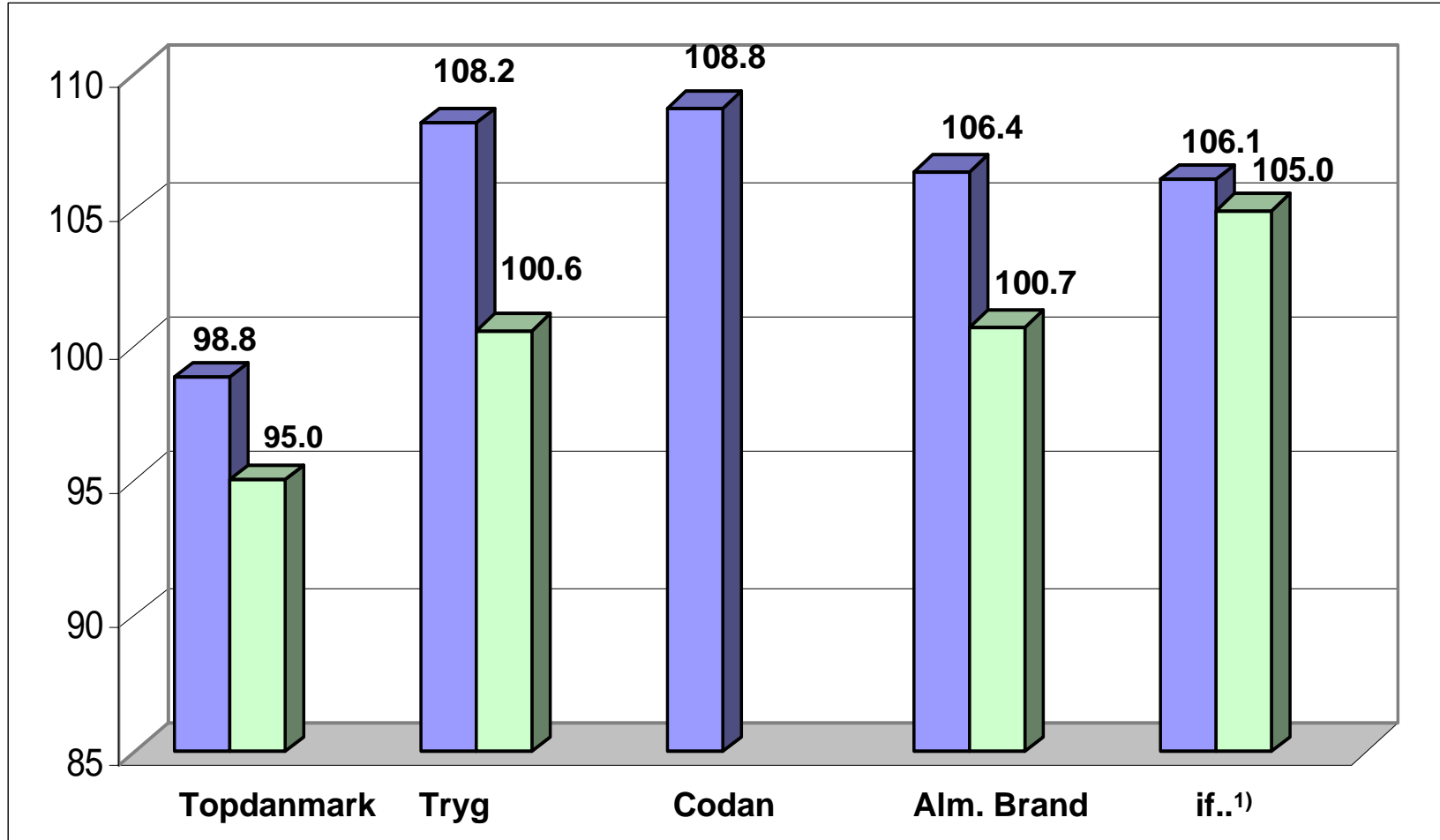


## Non-life

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# Topdanmark keeps the lead in combined ratio



1) if...’s Nordic business



Non-life



# Prospects for non-life insurance

- Improved competitive position
- Expected premium growth 9 - 10% in 2003
  - Previously 8 - 10%
- Stability in reinsurance expenditure
- Build-up of equalisation provisions
  - DKK 24m in Q1 2003
- Expected combined ratio continues to be 96% for 2003
- Continued low investment income
  - Risk free interest rate 3.5% in 2002 - 2.8% in Q1 2003



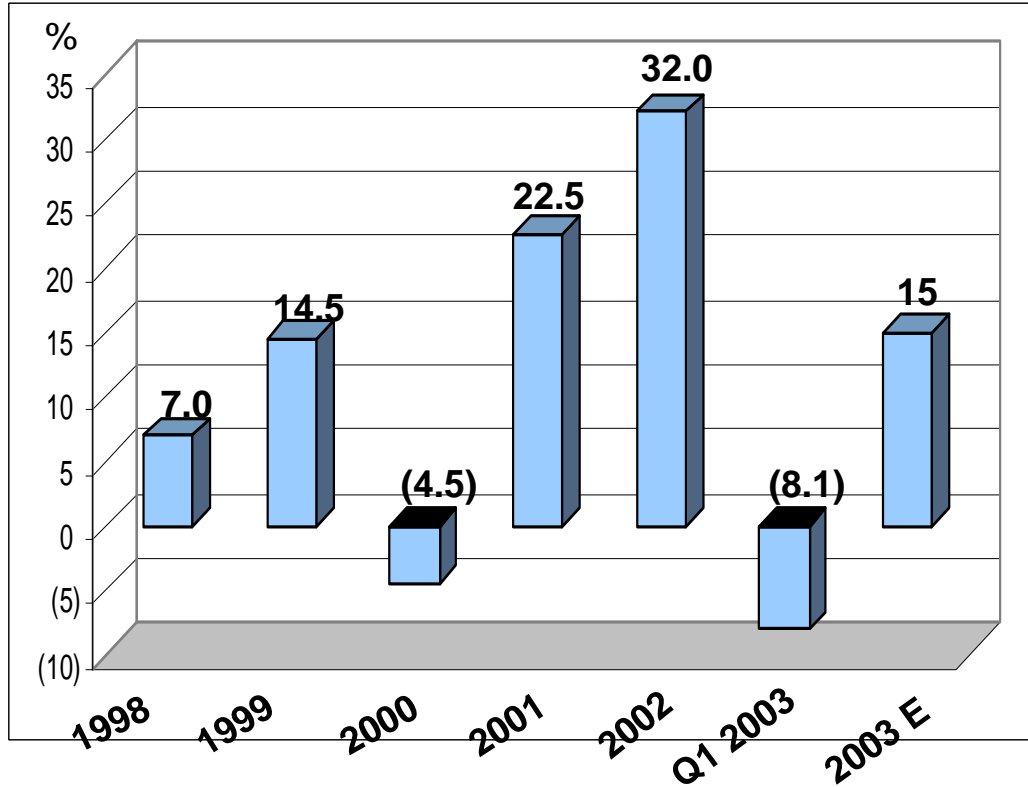
**Non-life**

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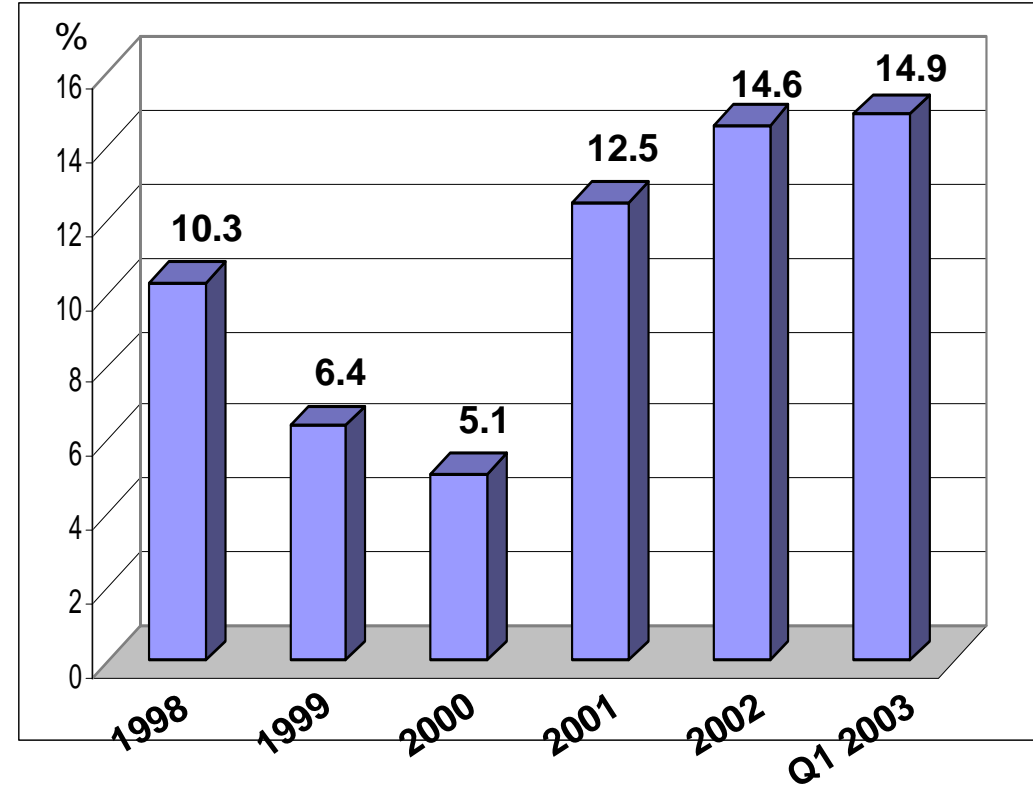


# Increased growth in regular premiums

Premium growth  
excl. BG Pension



Trend in regular premiums  
excl. BG Pension



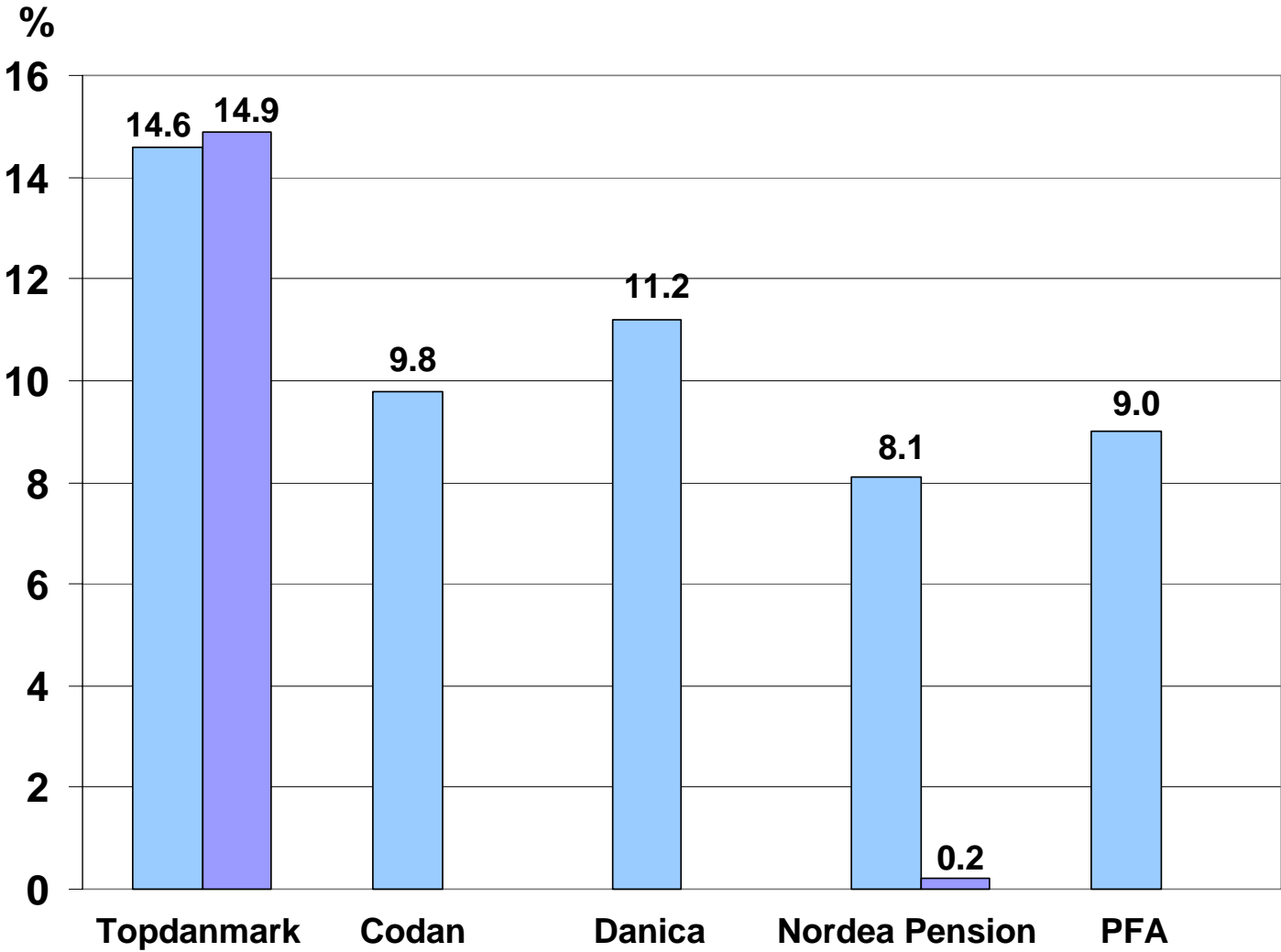
Life

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# Trend in regular premiums



Regular premiums 2002

Regular premiums Q1 2003

Life



# Growth expected to continue in Topdanmark Livsforsikring

- Improved competitive position
- Topdanmark receives more attention from brokers
- Increase in sales through own sales channels
- Expected increase in sales through banks and mortgage lenders
- Significant single premiums expected in remainder of year
- Expected 15% premium growth in 2003
- Larger buffer against losses on investment assets due to shift to market value policy
- Allowance for risk expected to be included in income from Q2 2003



**Life**

**Topdanmark**



# Profit forecast for 2003

DKKm

- Profit excl. shareholding in Danske Bank 425 - 525
- Profit on shareholding in Danske Bank 175 - 175
- Expected profit 600 - 700

Forecast assumptions based on share price on 19 May 2003



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# Shareholding in Danske Bank

- Topdanmark's non-life business holds 11,525,466 shares in Danske Bank
  - equivalent to 1.6% stake
- Expect to sell most of shareholding after expiry of 3-year period, i.e. after September 2003
- Expect to invest proceeds in
  - Bonds
  - Portfolio equities
  - Share buy-back
- Sale of Danske Bank-shares
  - significantly reduces exposure to financial risk
  - reduces volatility in Topdanmark's results
  - increases share buy-back potential



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# Opportunity to increase share buy-back in 2003

- Share capital reduced 38% from share buy-backs since 1998
- Annual Report 2002 expected DKK 350 - 450m share buy-back for 2003
- Increase in potential for 2003 due to upgraded profit forecast and trend in price of Danske Bank's shares
- Decision on any increase in buy-back to be made H2 2003
- 2003 to date DKK 151m shares bought back



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# [www.topfacts.dk](http://www.topfacts.dk)

- a source of updated information on Topdanmark



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