

Topdanmark's results Q1-3 2003



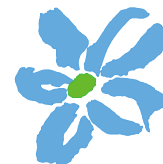
Key features of Q1-3 2003

- DKK 742m post-tax profit after transferring DKK 48m to equalisation provisions
 - Q1-3 2002 : DKK 163m loss plus non-recurring income of DKK 112m
- Cash flow increased from DKK 73m in Q1-3 2002 to DKK 888m in Q1-3 2003
- Cash flow per share increased from DKK 2.7 to DKK 35.3
- Expense ratio declined from 20.3% in Q1-3 2002 to 19.7% in Q1-3 2003
- Combined ratio declined from 99.7% to 95.1%
- Provisions strengthened by DKK 148m equivalent to 2.8 percentage points
- Premium growth
 - Non-life 10.9%
 - Life 17.4%
- 7.2% (9.7% annualised) return on investments in Topdanmark Livsforsikring



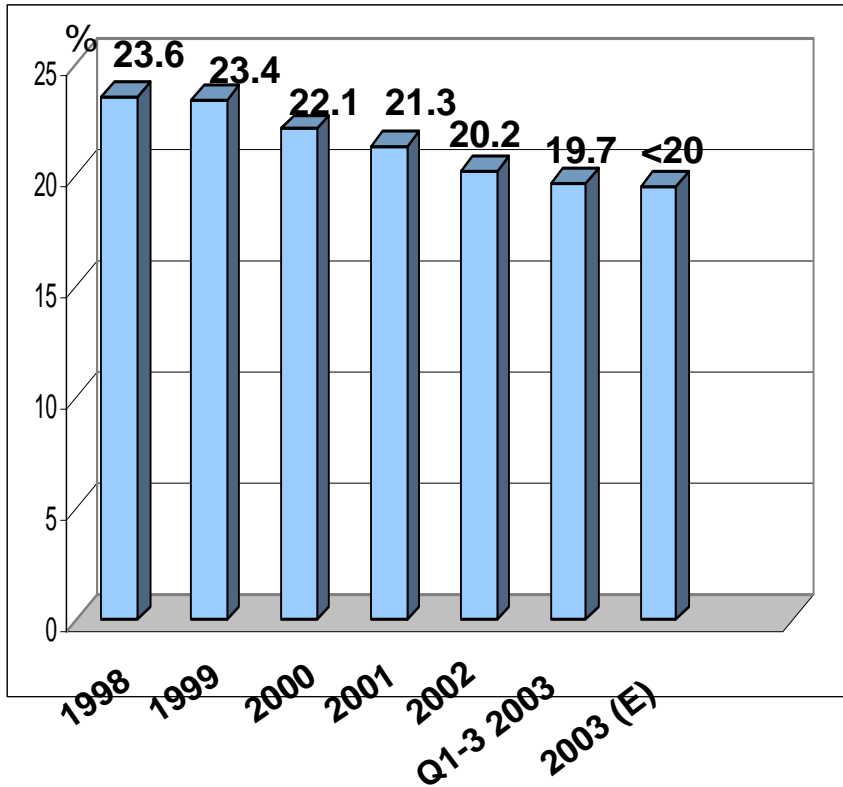
Group

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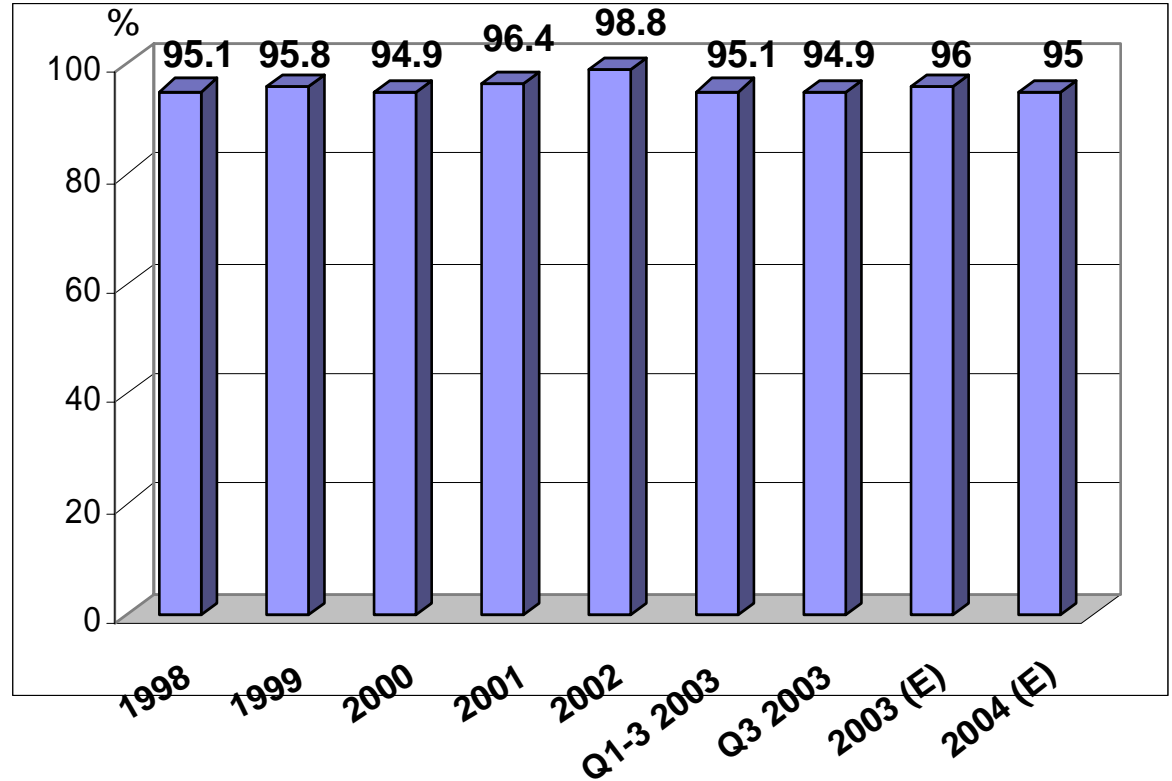


Continued decline in expense ratio

Expense ratio



Combined ratio - excl. 1999-hurricane



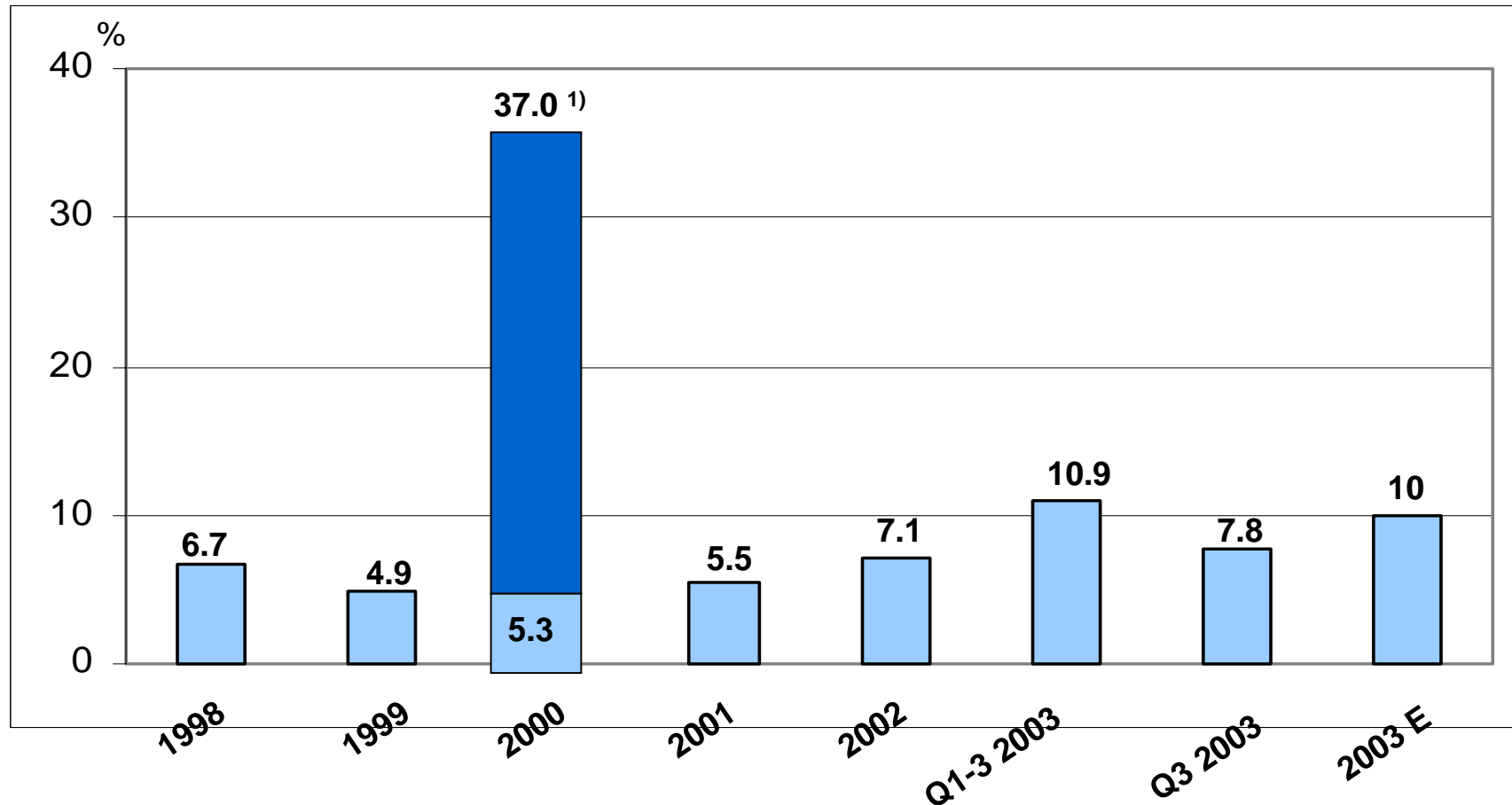
Non-life

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Increased growth in premiums

Growth in premiums



¹⁾ Including the acquisition of Danske Forsikring / Danica Forsikring

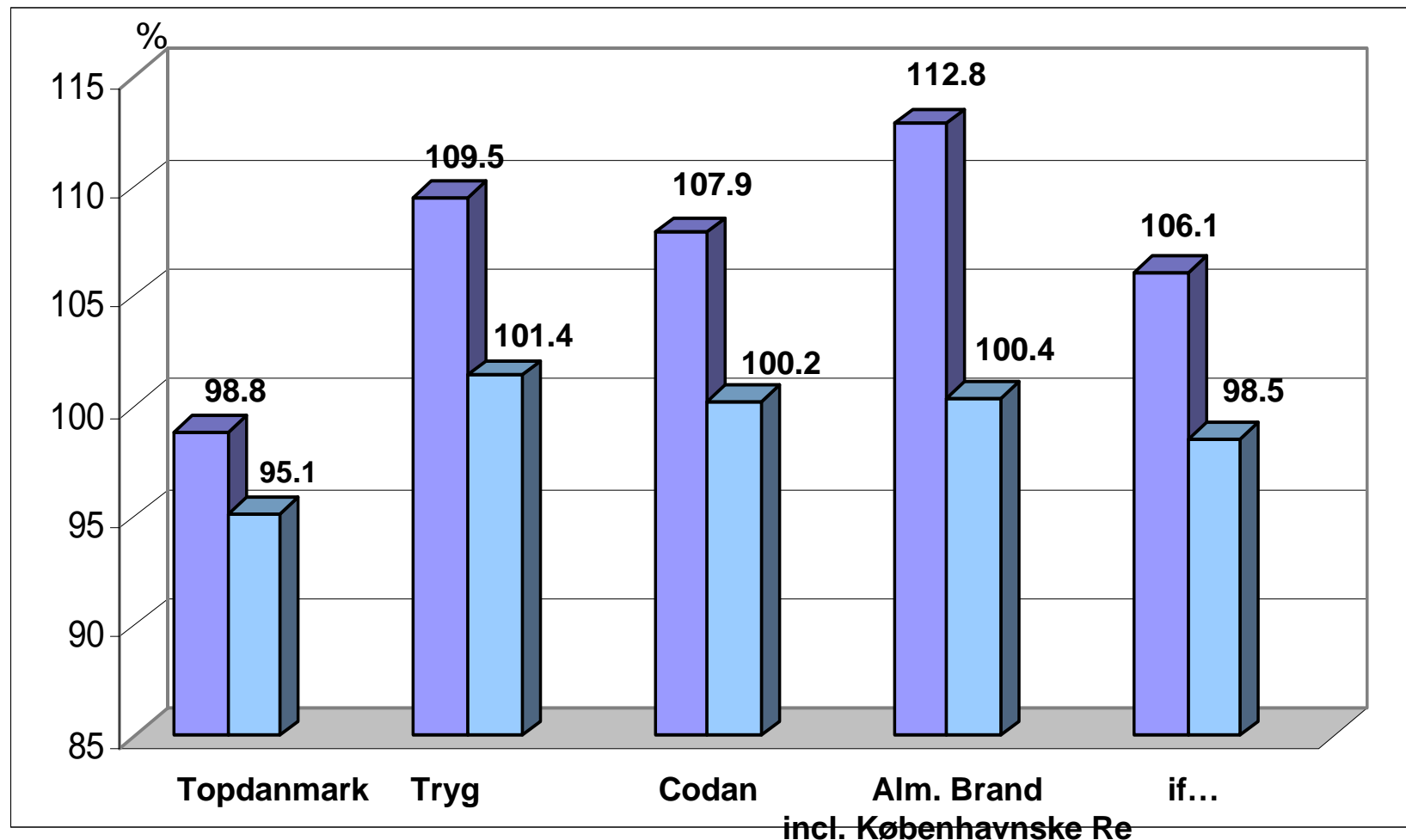


Non-life

Topdanmark



Topdanmark keeps the lead in combined ratio



Combined ratio
2002

Combined ratio
Q1-3 2003



Non-life



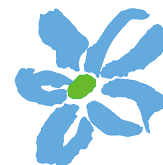
Prospects for non-life insurance

- Continued strong competitive position
- Expected premium growth in 2003 upgraded from 9 - 10% to around 10%
 - Benefiting from about 2.5% due to Act on civil liability and 3% due to other extraordinary premium increases
- Premium growth in 2004 affected by premium increases in workers' compensation insurance equivalent to just over 3 percentage points
- Expected combined ratio continues to be 96% for 2003
 - Including expected storm claims of just under DKK 90m in Q4
- Continued low investment income
 - Risk free interest rate 2.4% in Q1-3 2003; 2.2% at 31 October 2003
- Continued target for 2004 - combined ratio of around 95%
- Change from gross to net settlement principle for insurance brokers from beginning of 2004
 - Gives unchanged combined ratio but lower expense ratio and correspondingly higher loss ratio
- Stock exchange listing of if... and Tryg?



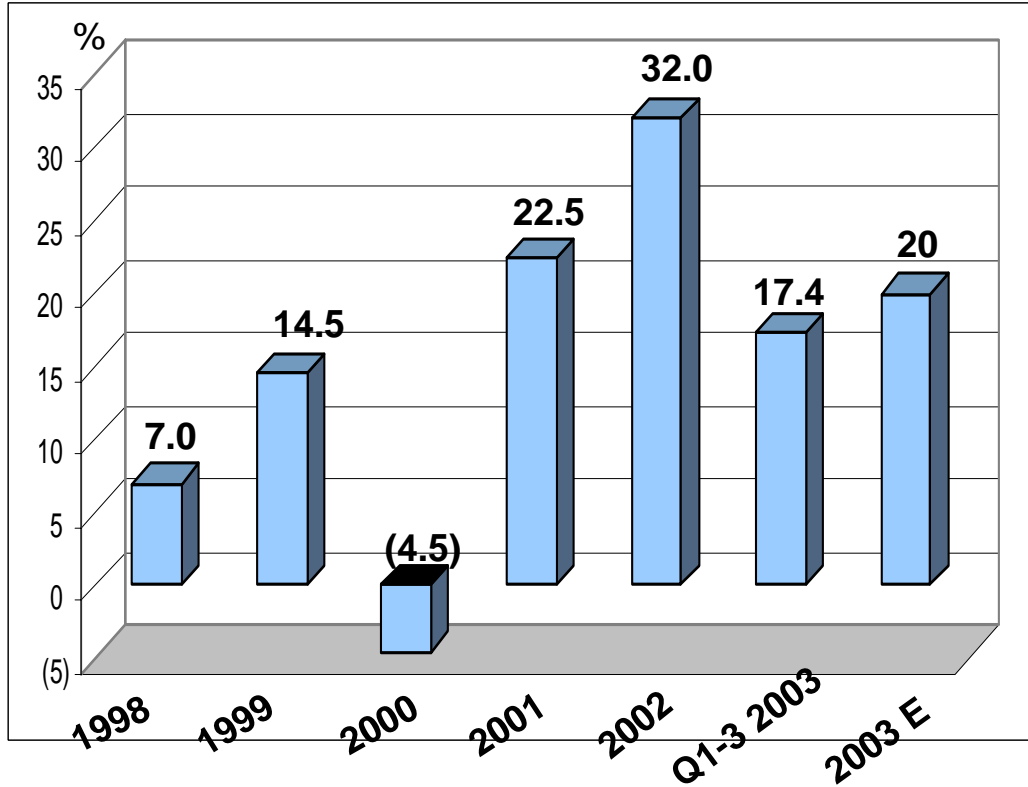
Non-life

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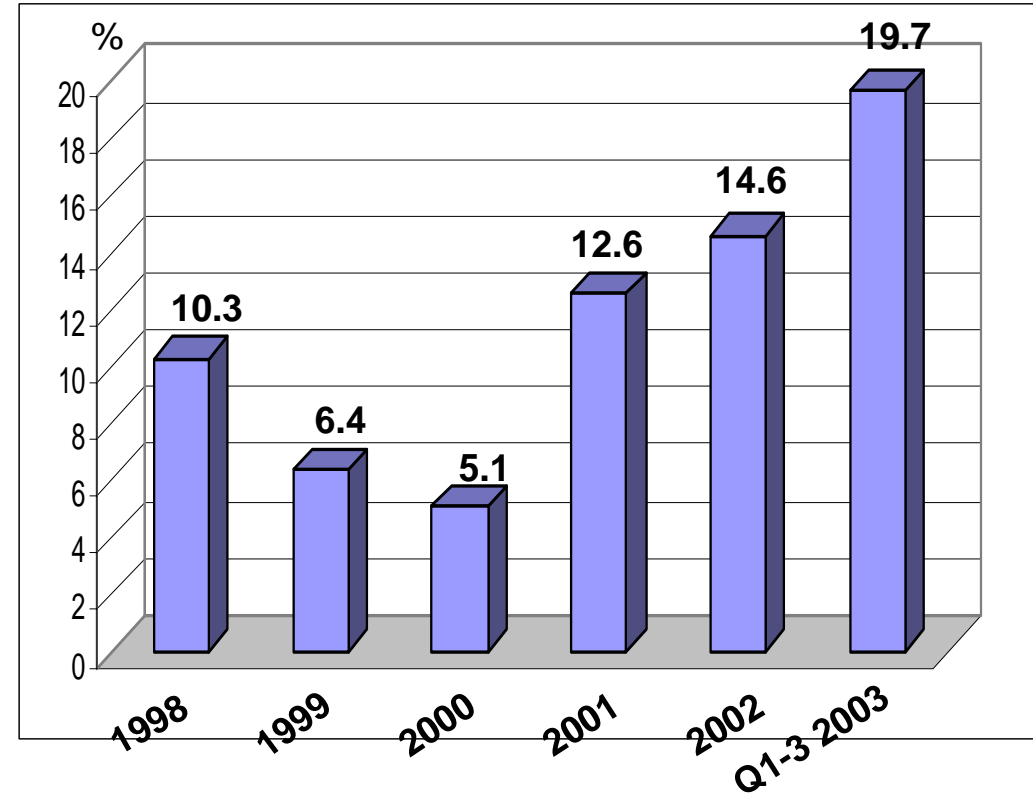


Increased growth in regular premiums

Premium growth
excl. BG Pension



Trend in regular premiums
excl. BG Pension



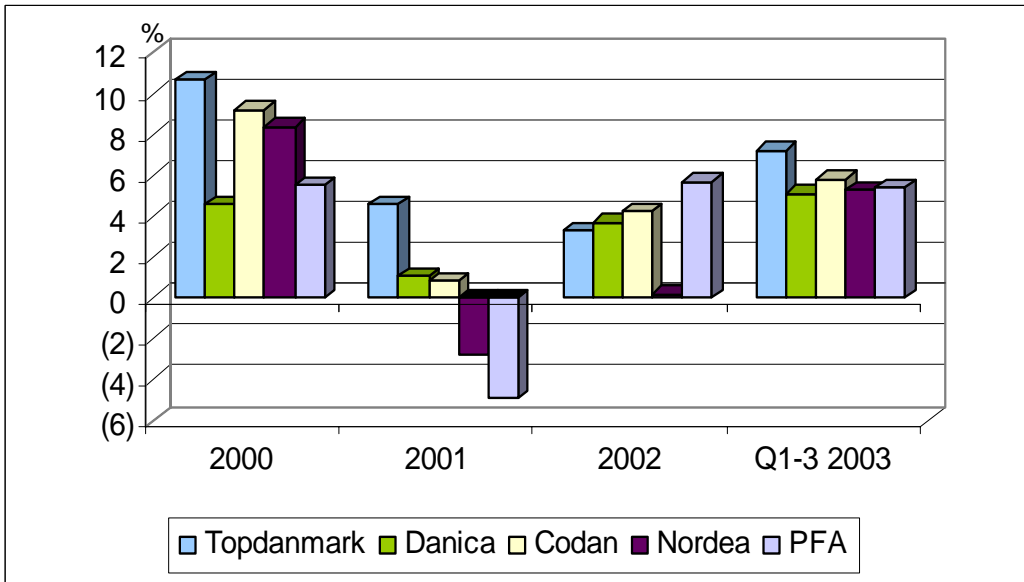
Life

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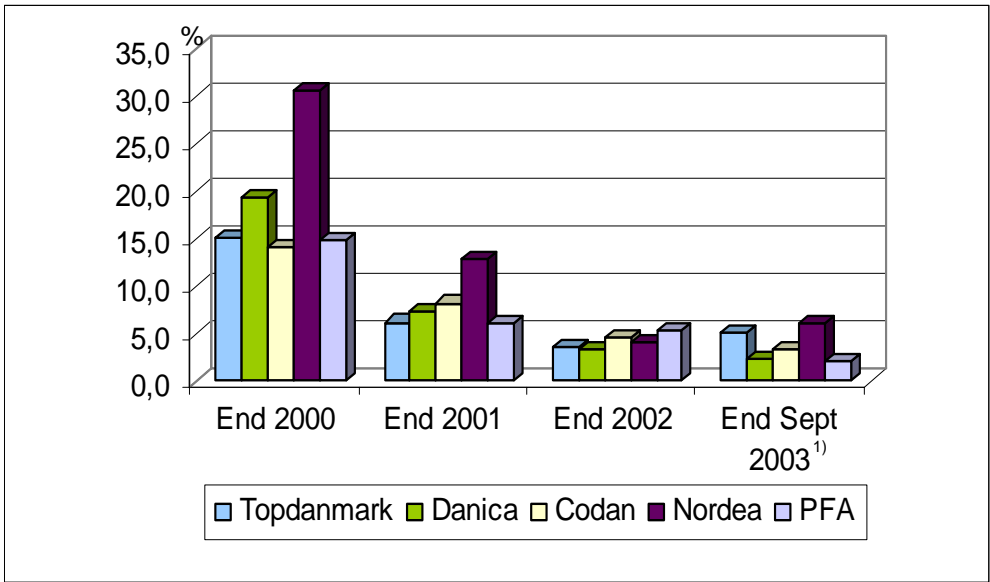


Comparisons - Danish life insurance companies

Comparison of return on investments



Comparison of bonus reserves



¹⁾ Excl. shadow account and special bonus provisions



Life



Prospects for Topdanmark Livsforsikring

- Continued strong competitive position
- Increase in bonus reserves from 3.5% to 5.1%
- Expected growth of 10% in regular premiums for 2004
- Investment policy maintained
 - About 17.5% exposure in equities at 30 September 2003
- New market for unemployment insurance



Life

Topdanmark



Profit forecast for 2003

- Previous upgrading of Topdanmark's own operations in 2003
 - Q1 report: DKK 25m
 - H1 report: DKK 75m

DKK 100m
- Profit forecast in H1 report: DKK 645 - 745m
- New profit forecast
 - Further upgrading: DKK 155m
 - Profit forecast: DKK 800 - 900m
- Cash flow Approx. DKK 1,030m
- Cash flow per share Approx. DKK 42.8



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Share buy-back in 2003

- Share capital reduced 41% from share buy-backs since 1998
- Following reduction of stake in Danske Bank share buy-back programme for 2003 increased by DKK 100m to DKK 550 - 650m
- Share buy-back programme for 2003 being upgraded by further DKK 150m to DKK 700 - 800m equivalent to about 10% of Topdanmark's market cap
- To date this year own shares of DKK 558m bought back
- Bulk of increased element of share buy-back expected to occur in 2004



Group

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www.topfacts.dk

- a source of updated information on Topdanmark



Appendix



“Normal” profit in life insurance

Necessary capital according to model:

- 80% of 1.5 x solvency minimum DKK 742m
- Shareholders' funds DKK 1,179m
- Excess capital DKK 437m which could be allocated for capital cover in non-life insurance

Return in life insurance

	DKKm
Investment return on necessary capital 5%	37.1
Risk premium 1 5% of 1.5 x solvency minimum, 5% of DKK 928m	46.4
Risk premium 2 1% of DKK 1,179 m - 928m	2.5
25% of risk and administrative result	10.0
Profit on asset management	15.0
Total return	<hr/> 111.0

Interest on necessary capital 15%

Additionally there will be synergies of about DKK 25m



Life

Can profit be made on non-life insurance?

Assumptions

- Shareholders' funds 33% of premium income
- Combined ratio 96%
- Technical interest rate 2.5%
- Return on shareholders' funds 5%

Return on operations

• Income	100.0	
• Technical interest	<u>2.5</u>	
	102.5	
• Expenditure	<u>96.0</u>	
	6.5	~ ROE = 19.5%

Return on shareholders' funds

• ROE before taxation	<u>5.0%</u>
	24.5%



Non-life

Share buy-back model 1/2

	DKKm	DKKm
2 x solvency requirement in non-life (premium based)	1,860	
1.5 x solvency requirement in life	928	
1 year's growth in solvency requirement	251	
0.3 x equity exposure (Group excl. life)	278	
1 x interest rate exposure (Group excl. life)	44	
	<hr/>	3,361
less equalisation provisions in Topdanmark Group excluding life and workers' compensation insurance and less up to 20% loan capital by way of long-term loans or committed lines to parent company		(99)
Total shareholders' funds		<hr/> 2,590



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Share buy-back model 2/2

DKKm

Shareholders' funds 1 Jan 2003		3,321	
Shareholders' funds net of tax asset	(383)		
Shareholders' funds net of goodwill	<u>(559)</u>		
Capital cover		<u>(942)</u>	
		2,379	
Expected pre-tax profit before goodwill 2003 (average value)		<u>1,048</u>	
Expected capital cover 31 Dec 2002			3,427
Reasonable capital cover		2,590	
80% of 1 year's normal growth in required solvency		<u>121</u>	
Expected reasonable level of capital cover 31 Dec 2002			<u>2,711</u>
Total share buy-back potential 2003			716



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