

# Topdanmark's results H1 2003



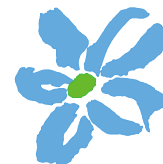
# Key features of H1 2003

- DKK 579m post-tax profit after transfer of DKK 25m to equalisation provisions
  - H1 2002 : DKK 229m plus non-recurring income of DKK 112m
- H1 2003 cash flow increased 39.4% to DKK 679m
- Cash flow per share increased 51.4% to DKK 26.6
- Expense ratio declined from 20.9% in H1 2002 to 20.0% in H1 2003
- Combined ratio declined from 100.6% to 95.2%
- Premium growth
  - Non-life 12.6%
  - Life 11.7%
  - Regular premiums 16.5%
- 5.9% (12.2% annualised) return on investments in Topdanmark Livsforsikring



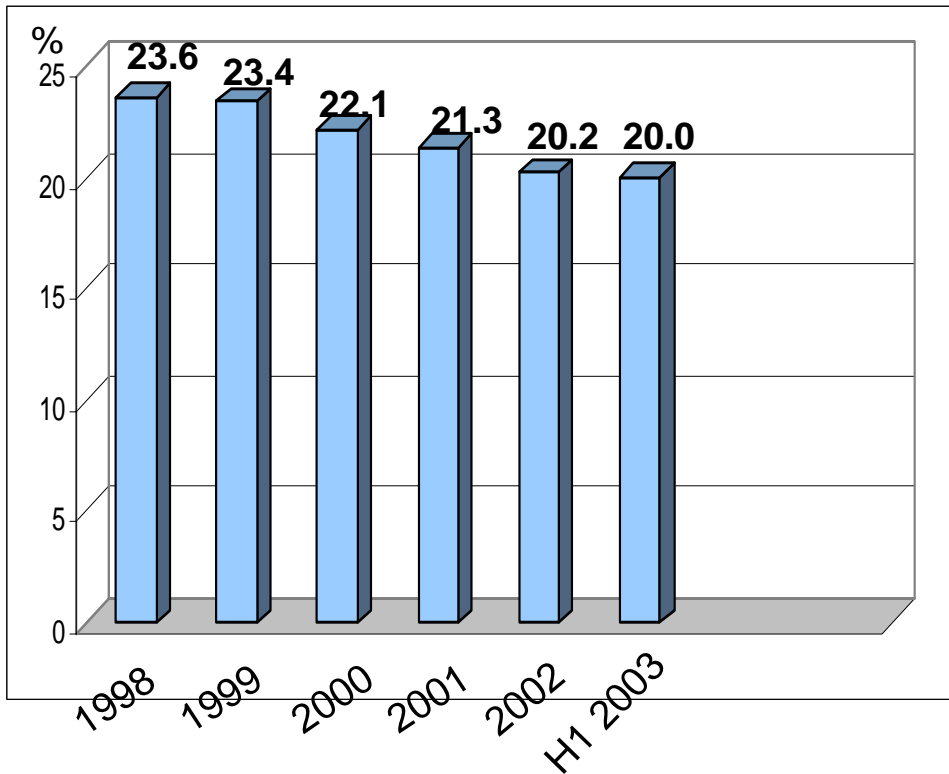
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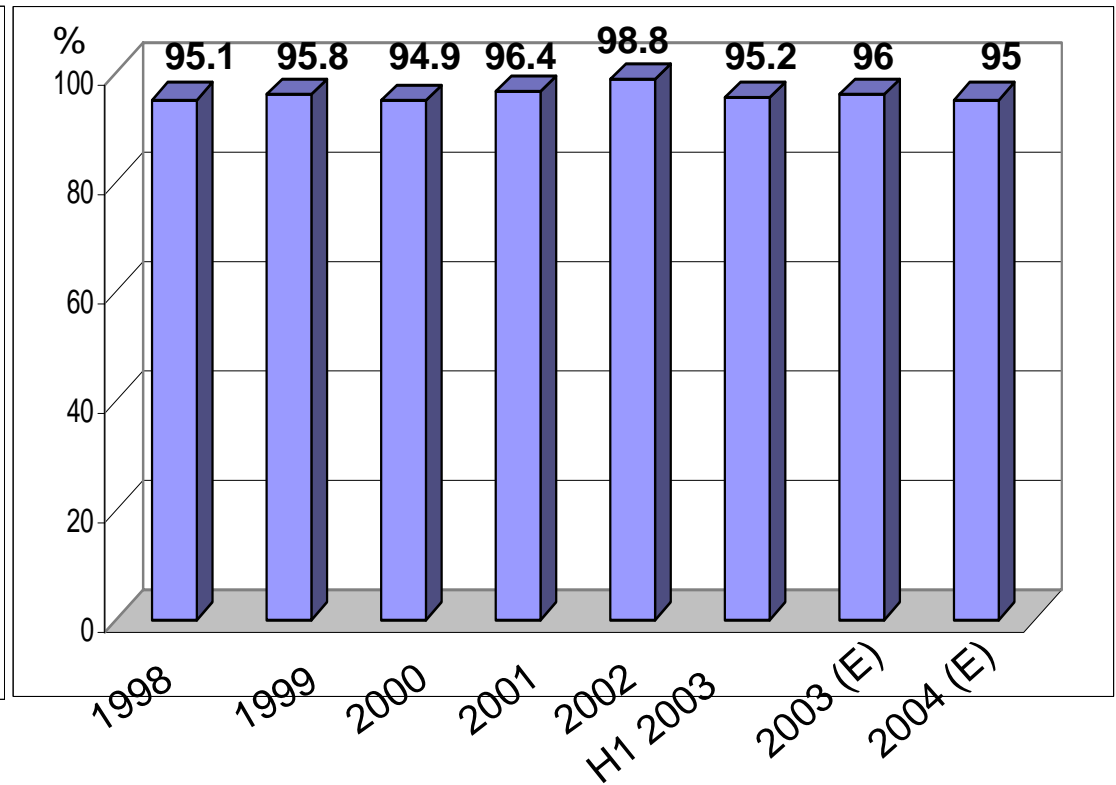


# Continued decline in expense ratio

Expense ratio



Combined ratio - excl. 1999-hurricane



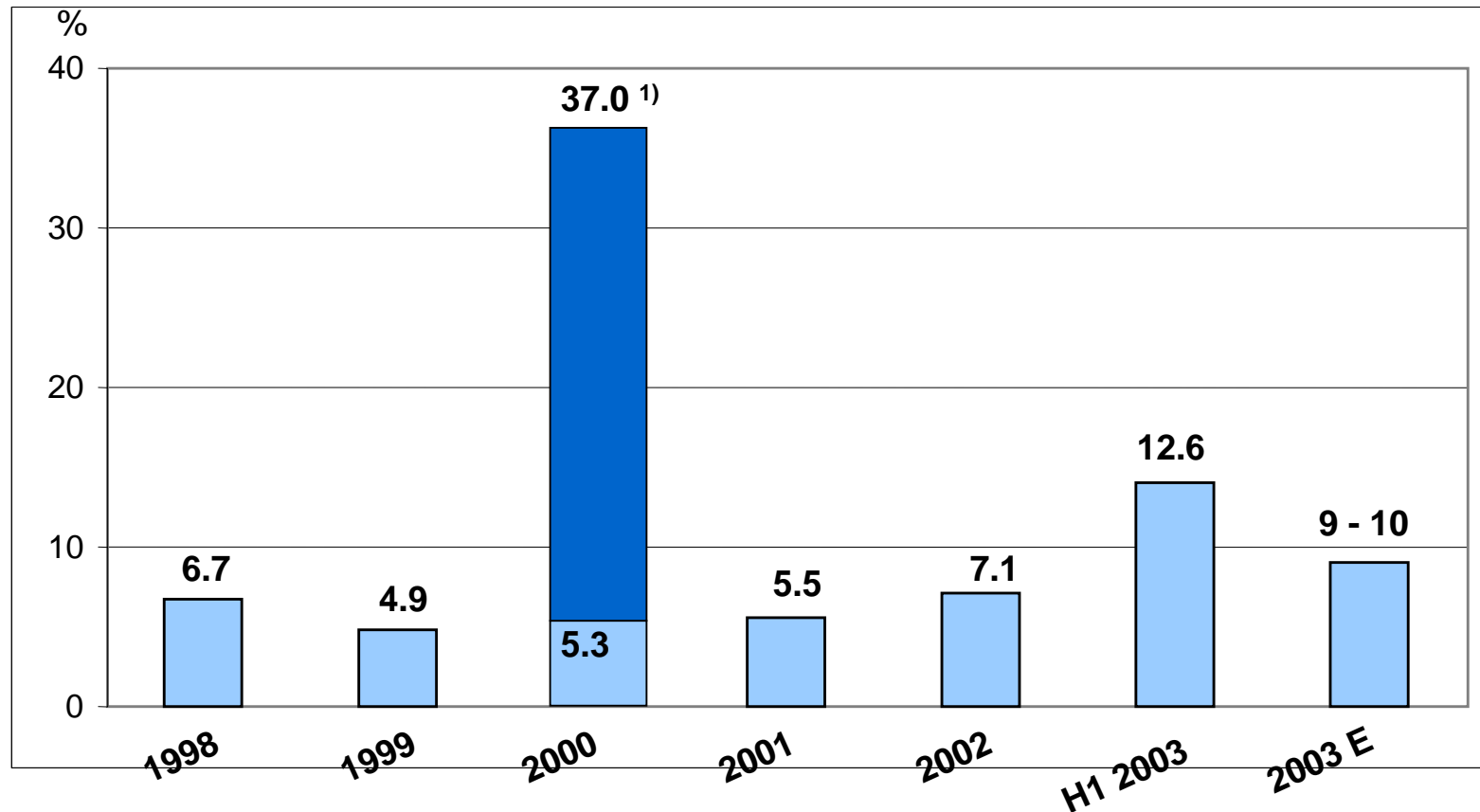
Non-life

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# Increased growth in premiums

## Growth in premiums



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

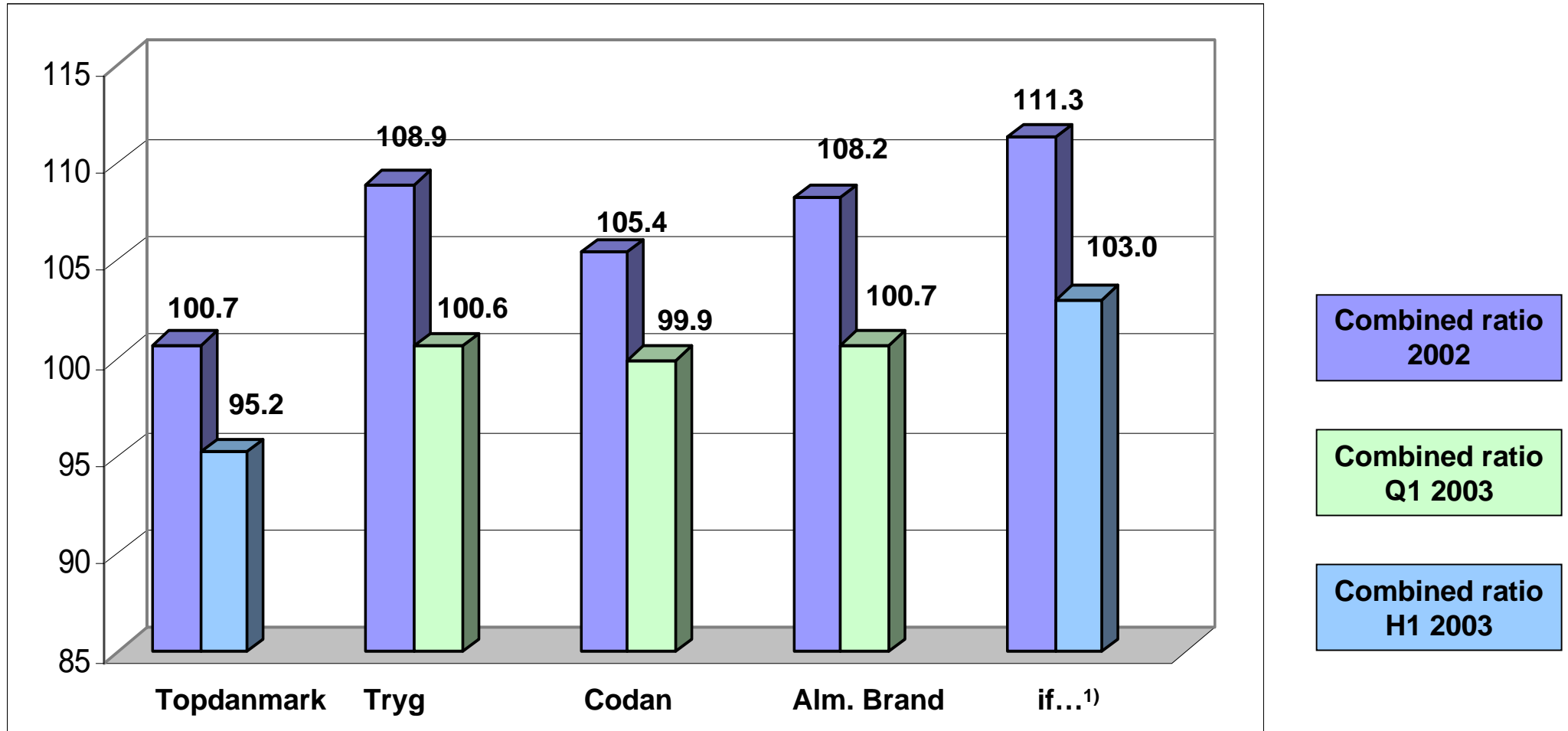


## Non-life

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# Topdanmark keeps the lead in combined ratio



<sup>1)</sup> if...’s Nordic business



Non-life



# Prospects for non-life insurance

- Market affected by general premium increases due to low capitalisation, low interest rates, high combined ratio
- Excluding effect of civil liability Act, Topdanmark kept premium increases to around 3%
- Improved competitive position
- Expected premium growth 9 - 10% in 2003
- Reinsurance programme on storm increased by DKK 100m to DKK 3.6bn
  - Savings of nearly 10%
- Cloudburst claims of just under DKK 30m in Q2
- Build-up of equalisation provisions
  - DKK 25m in H1 2003
- Expected combined ratio continues to be 96% for 2003
- Continued low investment income
  - Risk free interest rate 3.5% in 2002; 2.6% in H1 2003
- Target for 2004 - combined ratio of around 95%



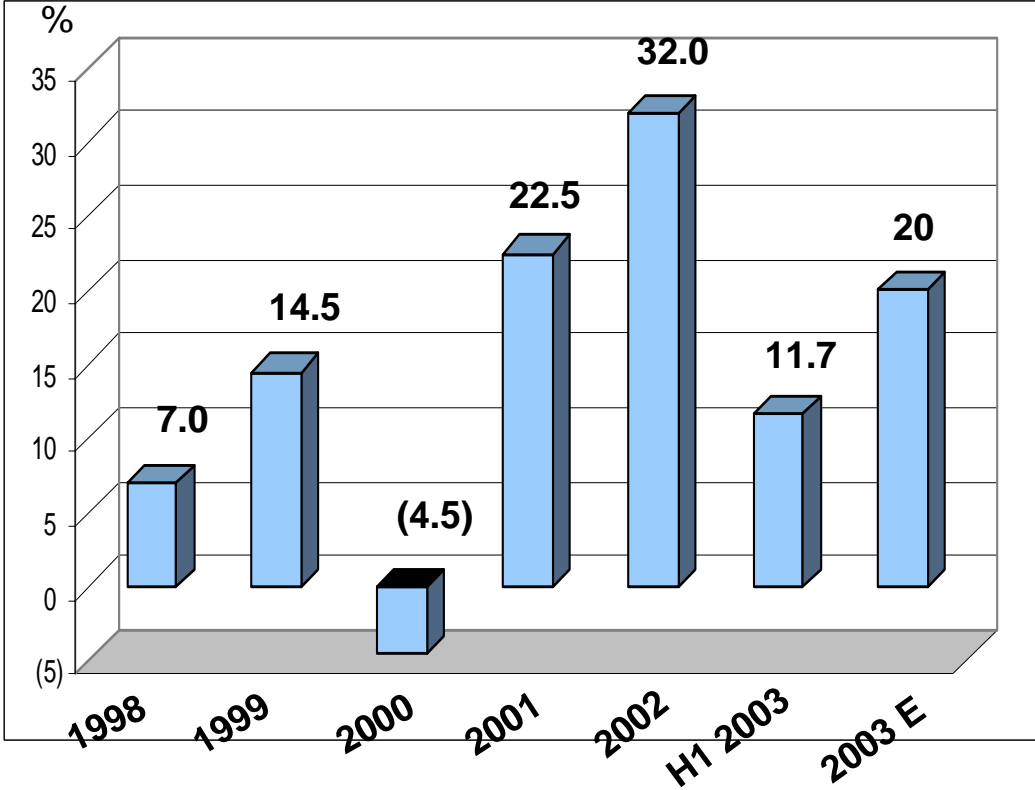
**Non-life**

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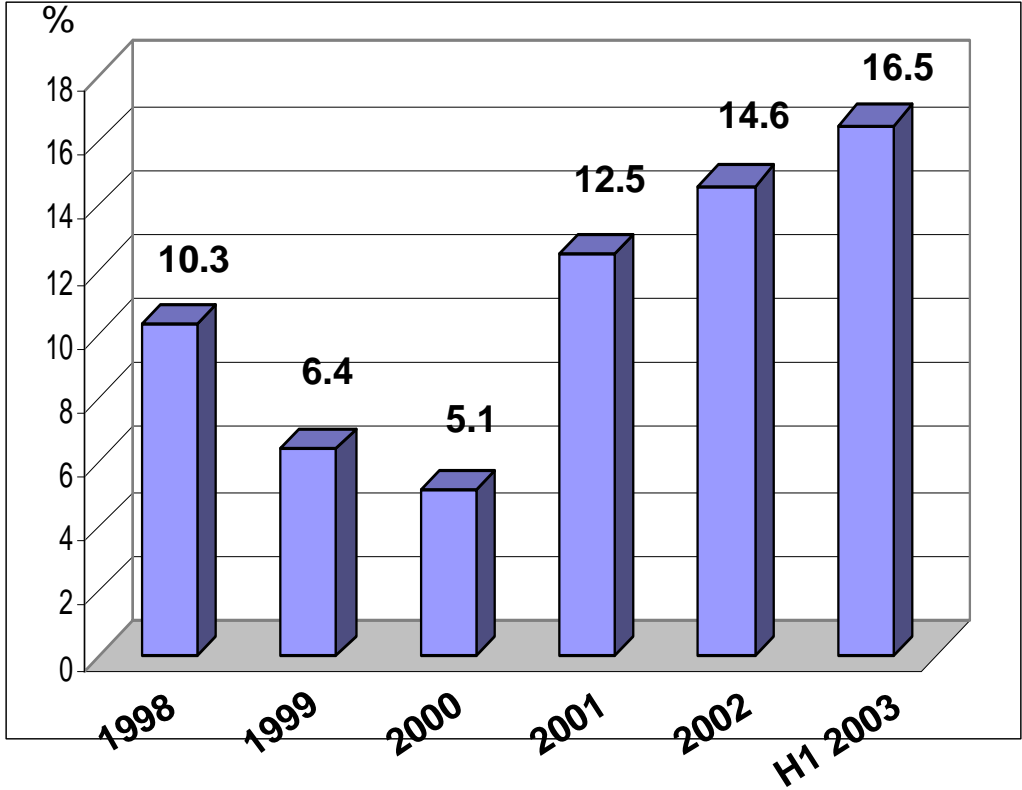


# Increased growth in regular premiums

Premium growth  
excl. BG Pension



Trend in regular premiums  
excl. BG Pension



Life

# Growth expected to continue in Topdanmark Livsforsikring

- Improved competitive position
- Premium growth for 2003 upgraded from 15% to about 20%
  - Based on higher than expected sales in H1
  - Continued expected high sales in H2
- Investment policy maintained
  - About 19% exposure in equities at 30 June 2003
- 5.9% return on investments in H1 2003
- Allowance for risk from Q1 2003 included in income already in Q2 2003
- Increase in bonus reserves from 3.2% to 4.2%
- Topdanmark Livsforsikring ranked as the Danish life insurance with most satisfied and loyal customers by Aalunds Business Analyse (business analysis company)



Life

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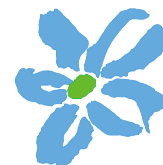
# Shareholding in Danske Bank

- Topdanmark's non-life business holds 11,525,466 shares in Danske Bank
  - equivalent to 1.6% stake
- Expect to reduce 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 will
  - reduce exposure to financial risk
  - reduce volatility in Topdanmark's results
  - increase share buy-back potential



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# Profit forecast for 2003

DKKm

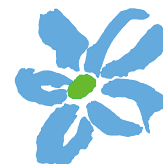
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|--|------------------|
| • Profit excl. shareholding in Danske Bank | 500 - 600        |
| • Profit on shareholding in Danske Bank    | <u>145 - 145</u> |
| • Expected profit                          | 645 - 745        |
| • Cash flow                                | Approx. 880      |
| • Cash flow per share                      | Approx. DKK 35   |

**Forecast assumptions based on share price on 14 August 2003**



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# Opportunity to increase share buy-back in 2003

- Share capital reduced 40% from share buy-backs since 1998
- Annual Report 2002 expected DKK 350 - 450m share buy-back for 2003
- Potential for 2003 increased to approx. DKK 680m due to upgraded profit forecast after Q1 and Q2
- Share buy-back programme for 2003 upgraded by DKK 100m to DKK 450 - 550m
- Decision on any further increase in buy-back for 2003 to be made later in the year
- To date this year own shares of DKK 359m bought back



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

- a source of updated information on Topdanmark

