

Topdanmark's Annual Report 2002

12 March 2003



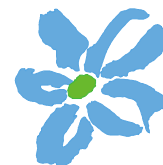
Key features

- Earnings declined 27% to DKK 296m
- Operating profit of DKK 445m higher than profit forecast of DKK 325-425m in Q3 2002 announcement (excl. result from shareholding in Danske Bank)
- Cash flow fell 6% to DKK 484m
- Cash flow per share increased 5% to DKK 18.0
- Expense ratio reduced from 21.3% in 2001 to 20.2% in 2002
- Combined ratio increased from 96.4% in 2001 to 98.8% in 2002 (Q4 2002: 96.1%)
- Underlying combined ratio of 94.6% in 2002
- Premium growth
 - Non-life insurance 7.1%
 - Life insurance 32.0%



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Assumptions for 2002 forecast

	Forecast	Actual
• Combined ratio	96%	98.8%
• Return on equities in Topdanmark Group excl. life insurance and Danske Bank	8.5%	(13.9)%
• Return on investments in Topdanmark Livsforsikring	6%	3.3%



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Variations

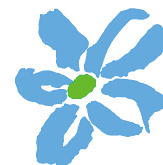
DKKm

Actual result excl. Danske Bank		445
Variations from profit forecast (Annual Report 2001)		
• Weather claims	118	
• Equity losses	30	
• Life insurance	<u>57</u>	
	205	205
Other variations		
• Run-off loss	155	
• Change to variable capitalisation rate	<u>66</u>	
	221	<u>221</u>
		871
Profit forecast (Annual Report 2001) excl. Danske Bank		<u>545 - 645</u>
Range of variance		226 - 326



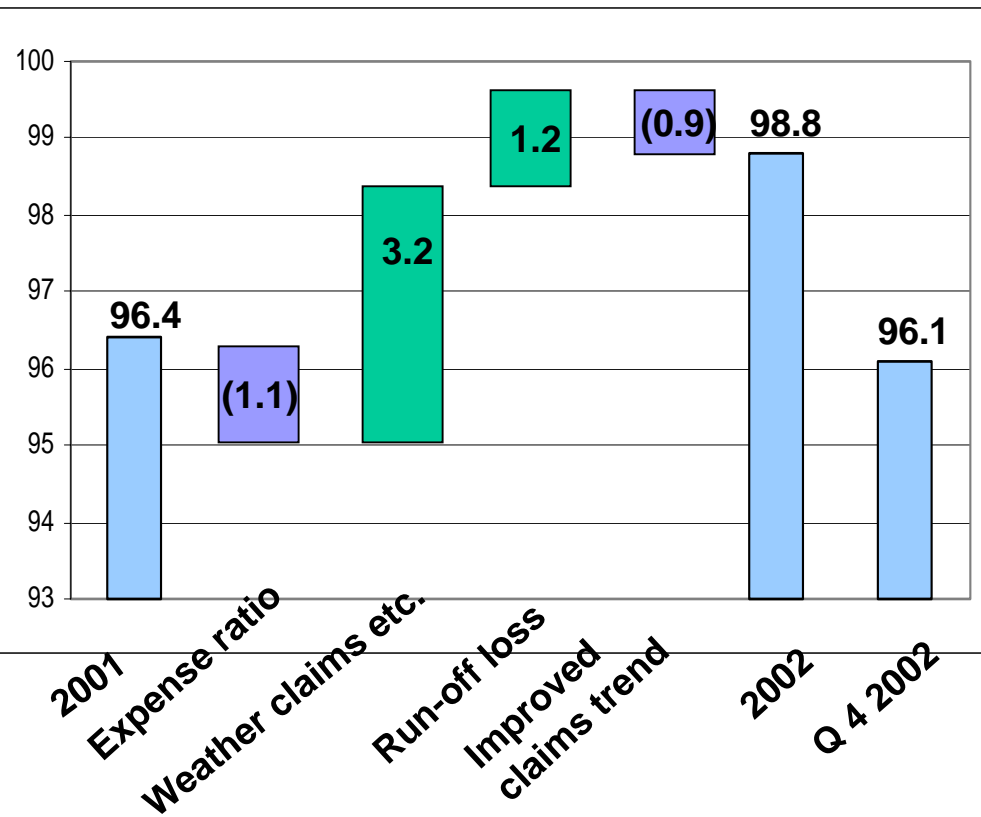
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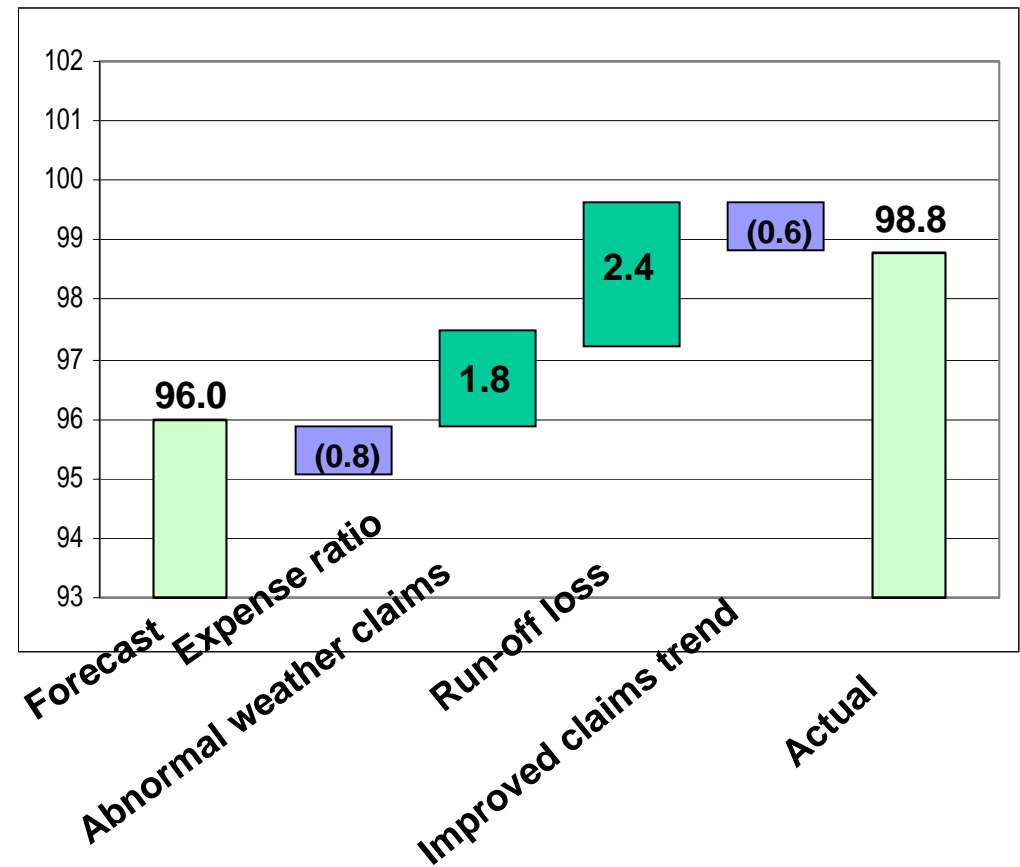


Improved underlying claims trend in 2002

Combined ratio compared with 2001



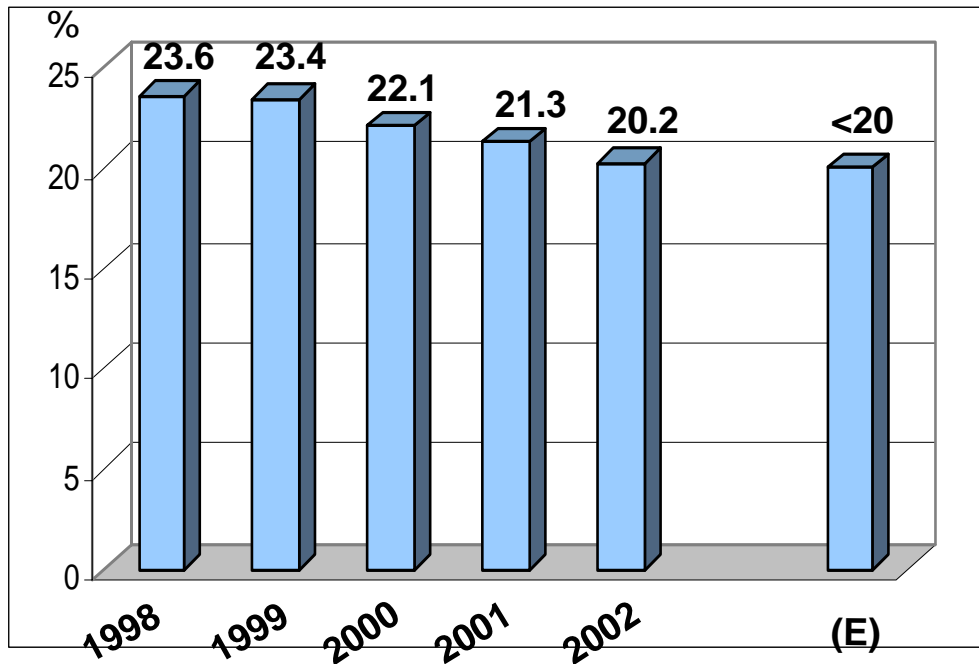
Combined ratio compared with forecast in 2001 Annual Report



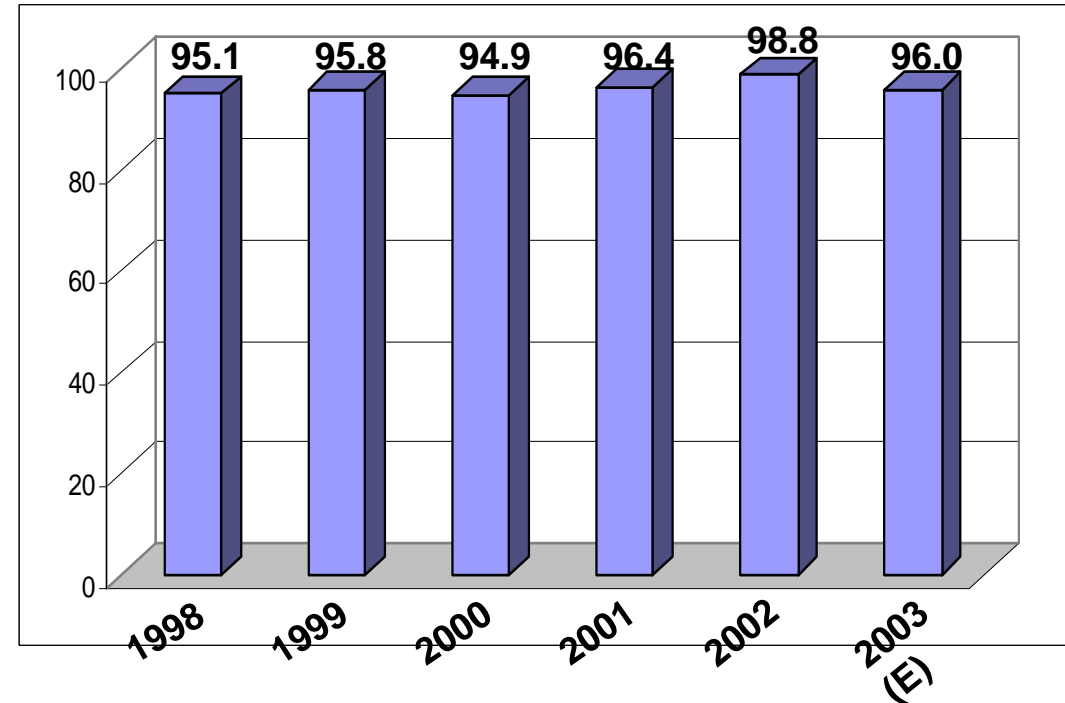
Non-life

Continued decline in expense ratio - "Normal" level of 96% for combined ratio

Expense ratio



Combined ratio - excl. 1999-hurricane



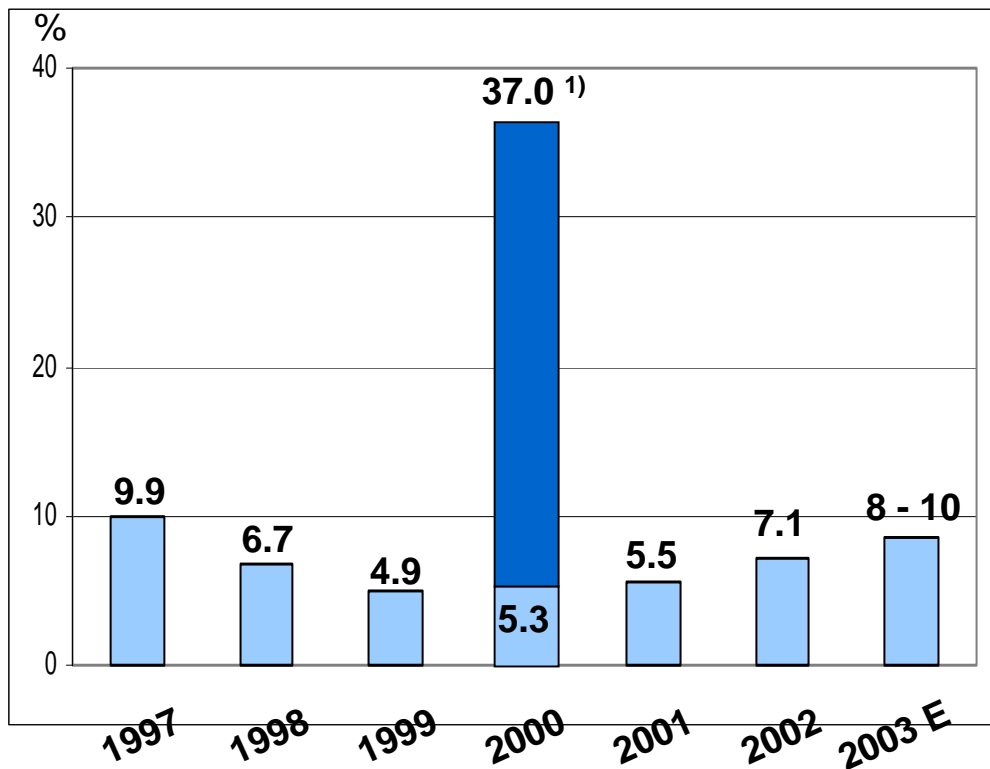
Non-life

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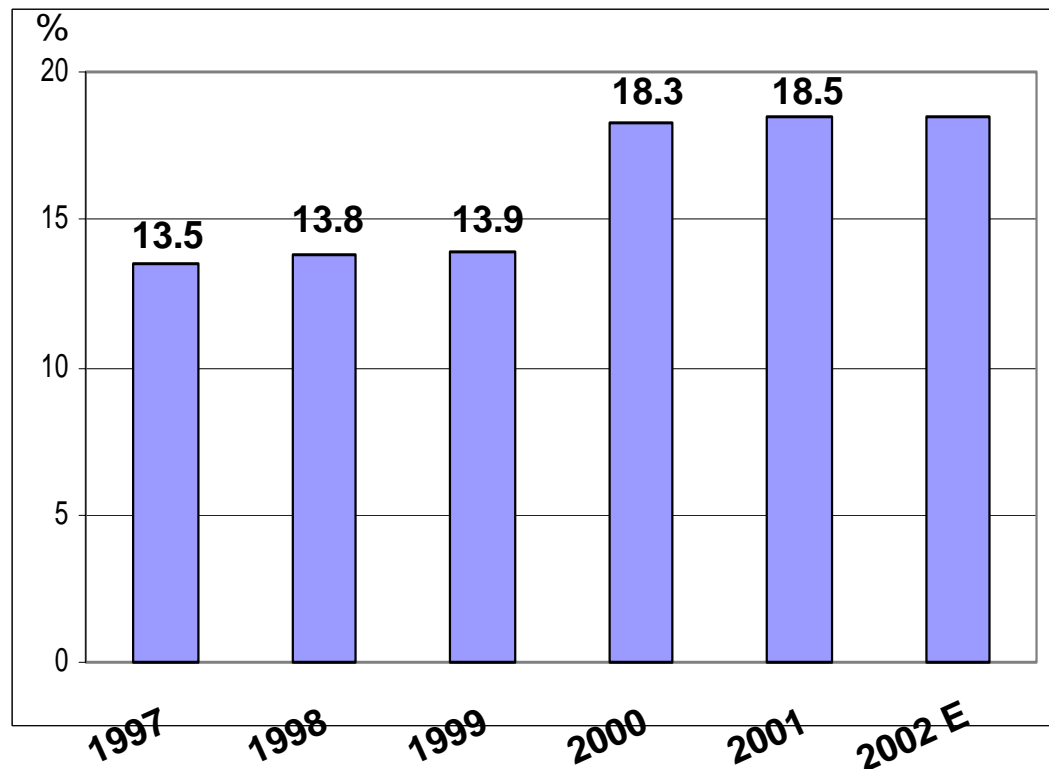


Topdanmark gains market share in non-life

Premium growth



Trend in market share

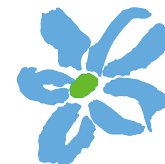


¹⁾ Including the acquisition of Danske Forsikring / Danica Forsikring

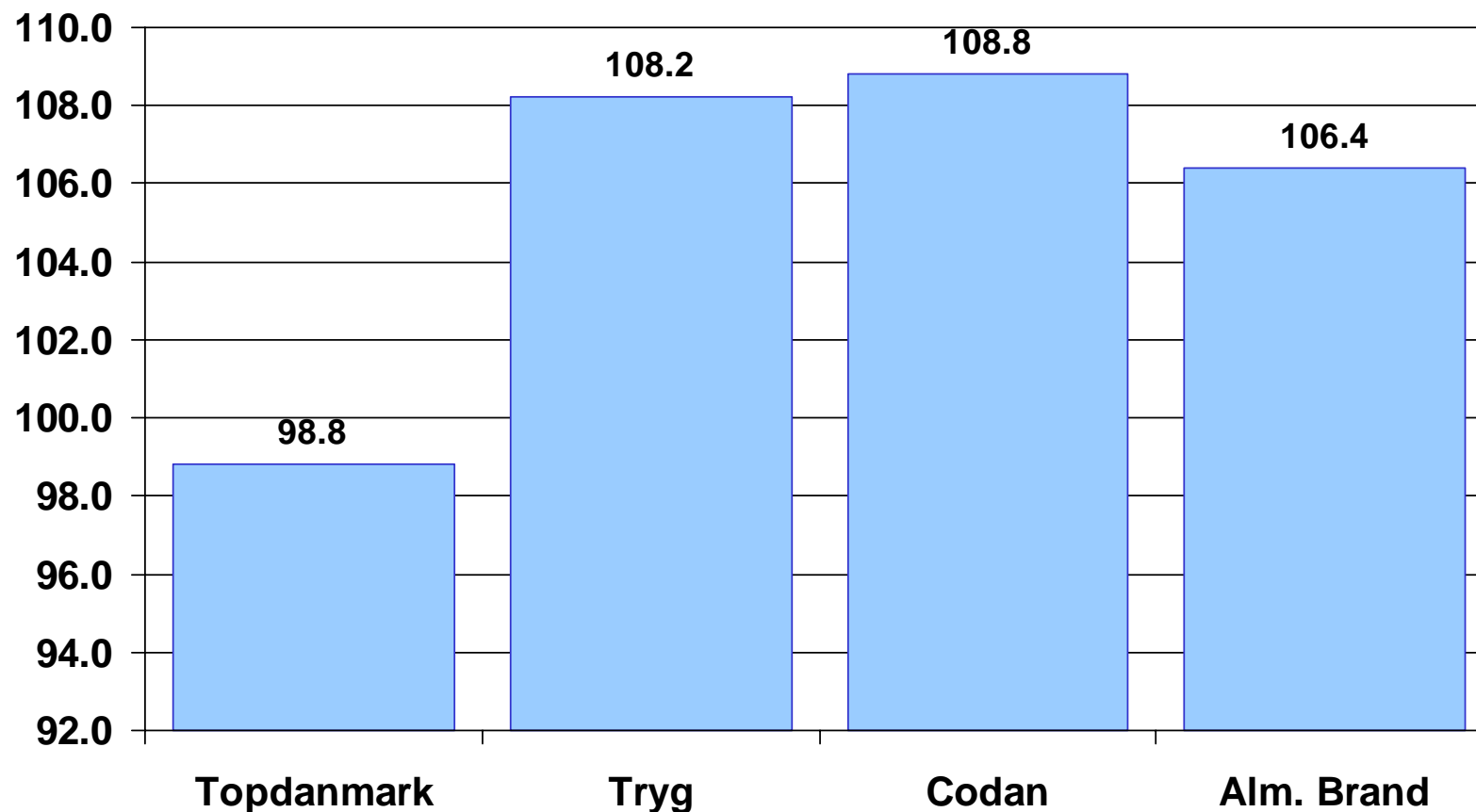


Non-life

Topdanmark



Gap to competitors widened



Non-life

Favourable market situation

Fewer players

Provinzial → Alm. Brand

Allianz Nordeuropa → Alka

Trekroner → Codan

Gerling throttles down

Hamburg-Mannh. stops

Plus Forsikring bankrupt

Focus on profit

Tryg

Codan

Fair

Alm.
Brand

If...

Non-life



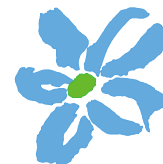
Strong prospects for non-life insurance

- Improved competitive situation
- Premium growth of 8-10% expected in 2003
 - Net premium increase of 2%
 - 2.6% effect in 2003 from Act on Civil Liability
 - Increase in sales through own sales channels
 - Full effect in 2003 of sales through "home"
 - Expected increase in sales through Danske Bank / BG Bank / Danica Pension
- "Normal" level of weather claims raised DKK 25m to DKK 115m due to expectation of worse weather
- Stability in reinsurance prices
- Expected combined ratio continues to be around 96% for 2003
 - Including contingency element in case of unexpected claims
- Lower investment income anticipated due to fall in interest rates
 - Risk free interest rate was 3.5% in 2002 - now it is about 2.8%



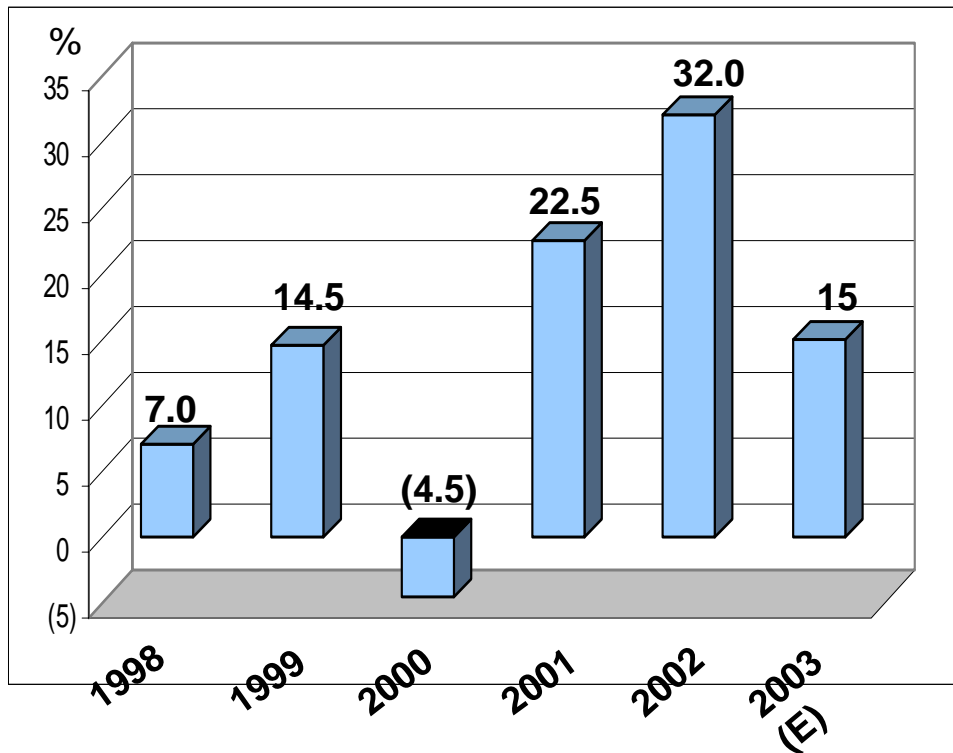
Non-life

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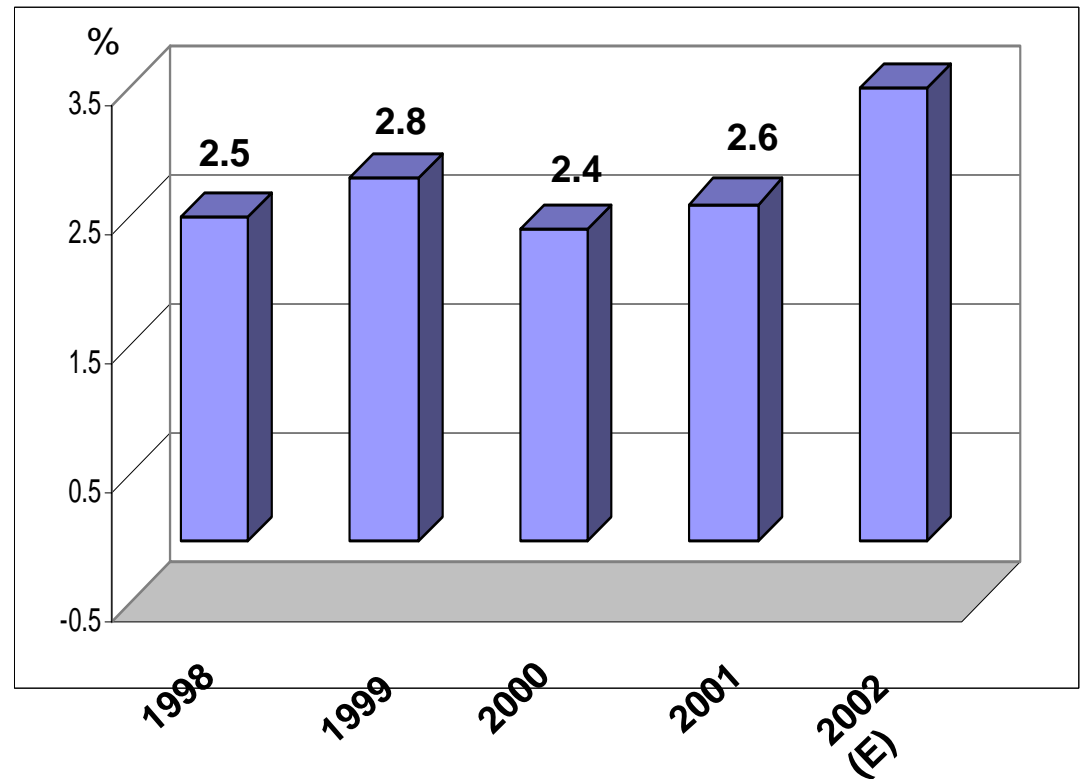


Topdanmark's life insurance gains market share

Premium growth excl. BG Pension



Trend in market share excl. BG Pension

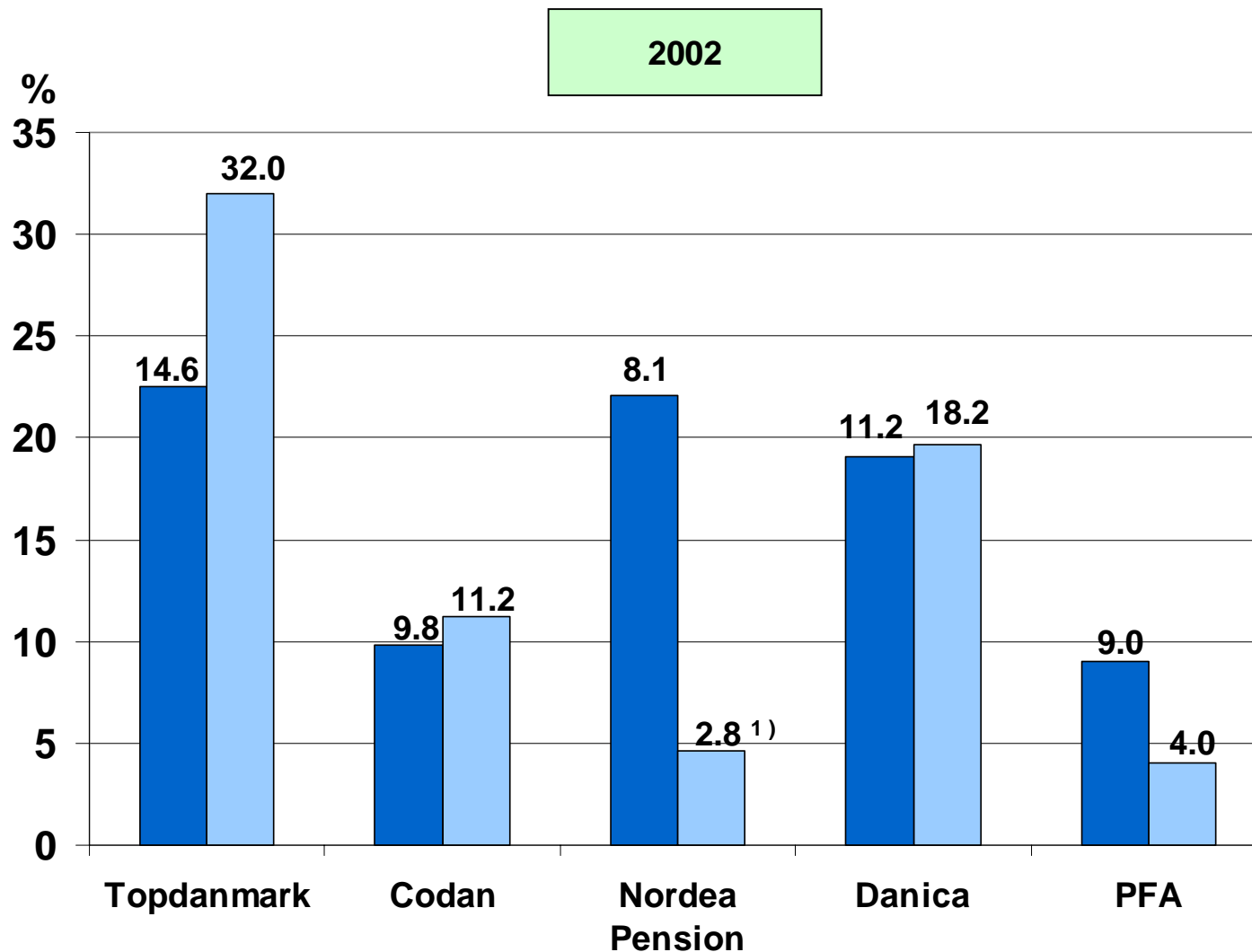


Life

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Excellent premium growth in Topdanmark Livsforsikring



Regular premiums

Total premiums

1) Excl. take-over of Nesa and IFV's pension fund

Life



Growth expected to continue in life insurance

- Improved competitive situation
- Topdanmark receives more attention from brokers
- Increase in sales through own sales channels
- Expected increase in sales through banks and mortgage lenders
- Several new products introduced
- Advantage gained from the Group selling both life and non-life products
- Co-operating with AIG on international customers' subsidiaries in Denmark
- Expected premium growth of 15% in 2003
- Change to market value principle expected to provide a contingency element in case of loss on investment assets



Life

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Continued high level of share buy-back

- Since 1998 share buy-back has reduced share capital by 36%
- In 2002 Topdanmark bought back own shares of DKK 682m; including DKK 335m bought back from EurAPCo
- In 2003 estimated share buy-back of DKK 350 - 400m
 - Representing 9% of Topdanmark's market cap
- 2003 to have higher share buy-back from market
- To date in 2003 shares of DKK 24m bought back



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Profit forecast for 2003

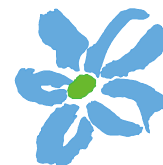
Significant forecast assumptions for 2003

- Premium growth in non-life insurance 8 - 10% p.a.
- Combined ratio 96%
- Return in non-life of interest-bearing investments of Topdanmark Group excl. life 3.5% p.a.
- Return on investments in life insurance 5.5% p.a.
- Return on equities incl. Danske Bank shares 7.0% p.a.



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Profit forecast for 2003

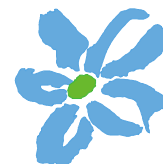
	DKKm
• Profit excl. shareholding in Danske Bank	400 - 500
• Loss on shareholding in Danske Bank	<u>(85) - (85)</u>
• Expected profit	315 - 415

Forecast assumptions based on share price on 10 March 2003

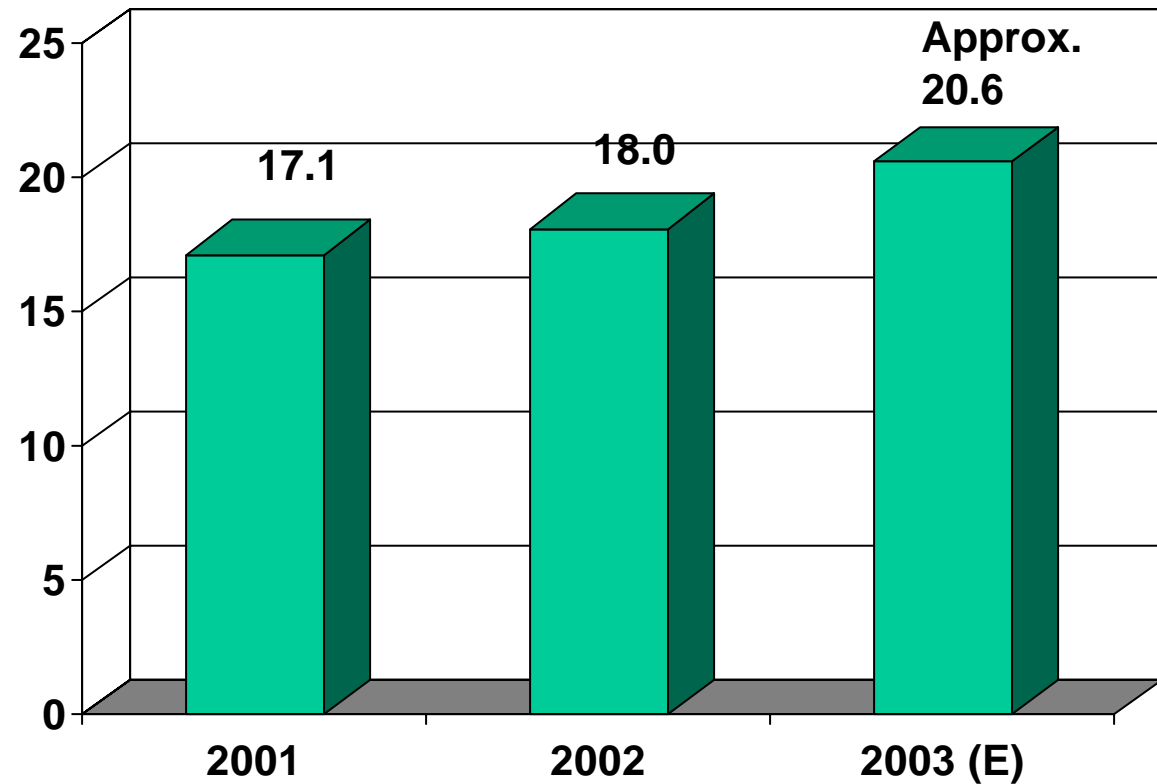


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High and continuously increasing cash flow per share



WWW.topfacts.dk



Topdanmark

