

Presentation of Topdanmark

at Enskilda Securities Small & Mid Cap Seminar 2003

Michael Pram Rasmussen, CEO, Topdanmark



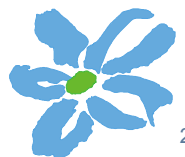
Topdanmark



How Topdanmark intends to create value

Operations

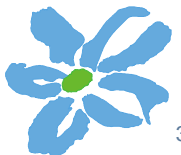
- An increase in premium income higher than the market
- A declining expense ratio



How Topdanmark intends to create value

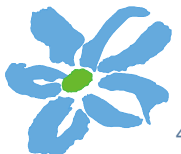
Capital

- Topdanmark is an insurance company
 - **Not an investment trust**
- Topdanmark intends to avoid unnecessary excess capital
 - **Share buy-back**



Corporate Governance

- Has removed all relevant limitations set out in the Articles of Association
- Lives up to the principles of good Corporate Governance
- No shareholder holds more than 10%
- A high share price is the only protection against uninvited take-over bids
- Revolving stock option scheme for management



Key features of Q1 - Q3 2002 results

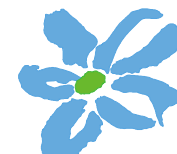
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- DKK 51m loss
- Positive cash flow of DKK 73m
- Expense ratio in first three quarters declined from 21.5% to 20.3% (3Q 2002: 19.1%)
- Combined ratio increased in first three quarters from 96.8% to 99.7% (3Q 2002: 97.9% / 3Q 2001: 99.1%)
- Growth in premiums
 - Non-life insurance 5.9%
 - Life insurance 36.3%



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5

Key features of Q1 -Q3 2002 results

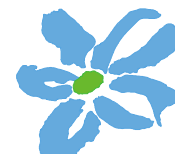
2/2

- Compared to forecast for 2002 of DKK 540 - 640m set out in 2001 Annual report, earnings in Q1 - Q3 2002 were affected by:
 - Deviation due to decline in equity prices DKK 495m
 - DKK 130m in Topdanmark Livsforsikring
 - DKK 365m in the rest of Topdanmark Group
 - Weather-related claims DKK 160m
 - Shift to variable capitalisation rate in workers' compensation DKK 66m
 - Total DKK 721m

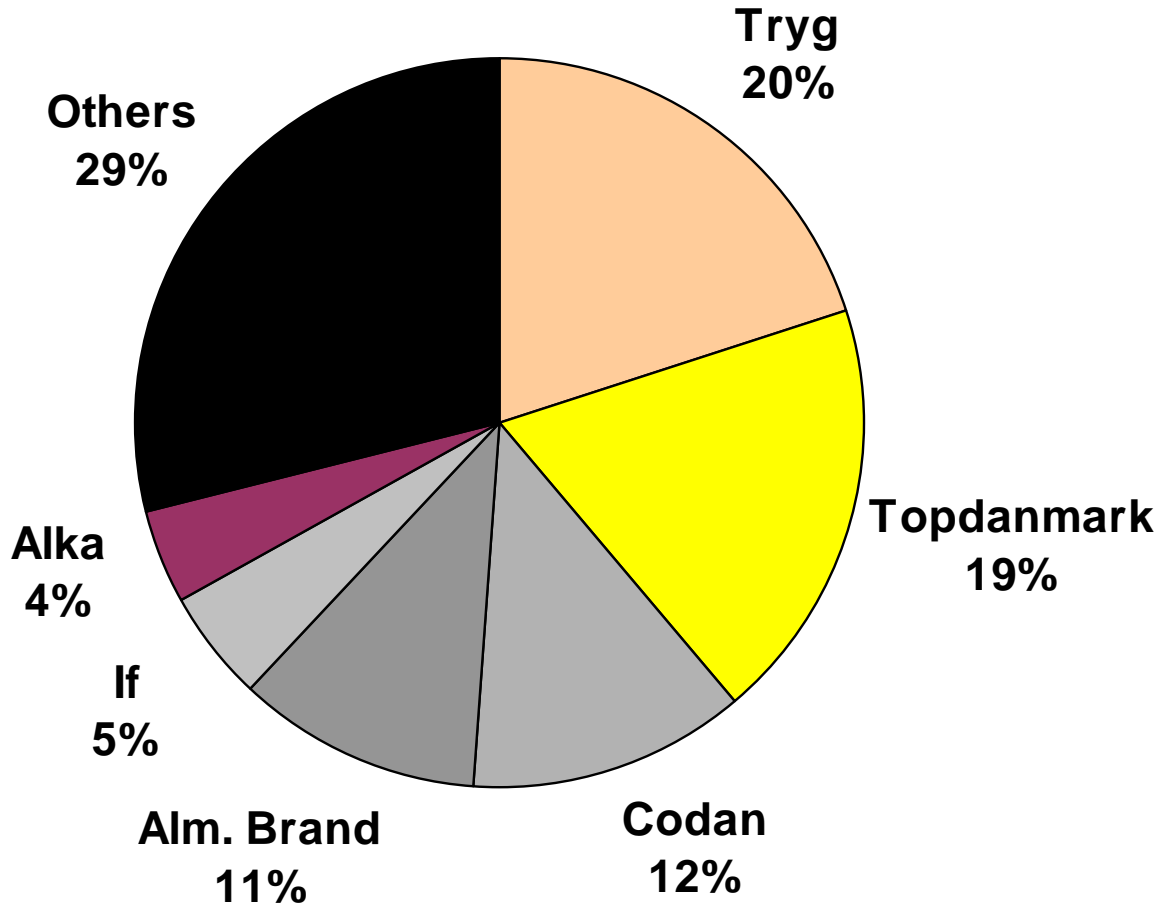


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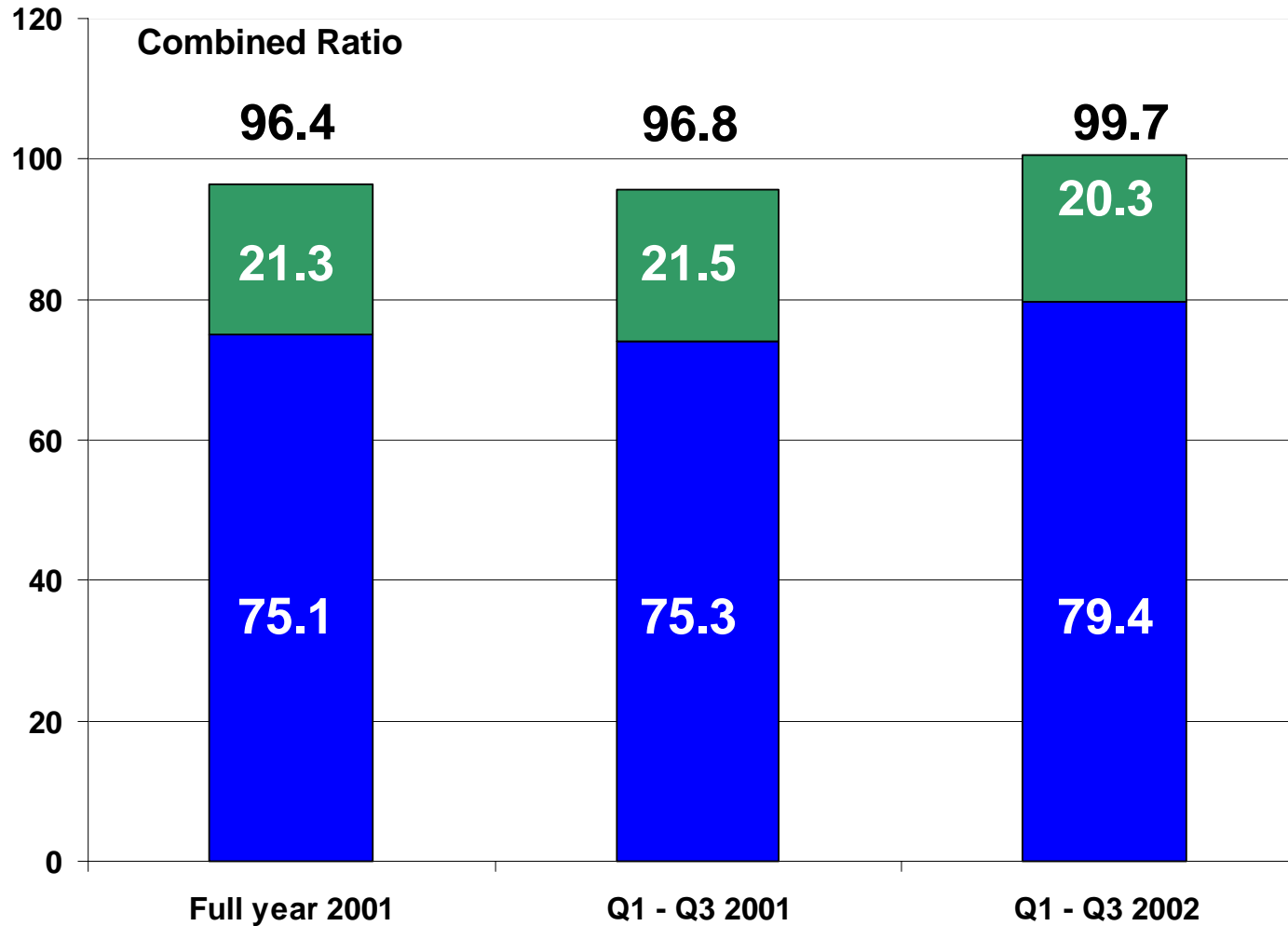
Non-life insurance - market share



Non-life



Increase in claim payments due to bad weather



- **Combined ratio increased to 99.7%**
- **Due to storm and bad weather in Q1 - Q3 2002 loss ratio 3.4 percentage points higher than assumed**
- **Further decline in expense ratio**

Expenses

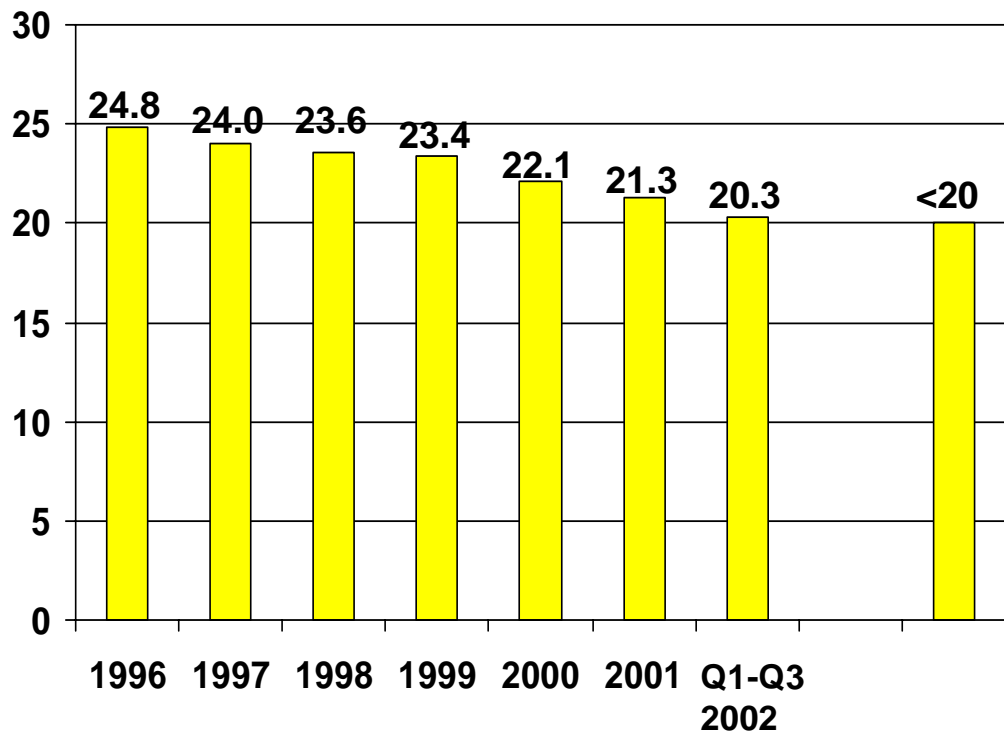
Claims incl. reinsurance

Non-life

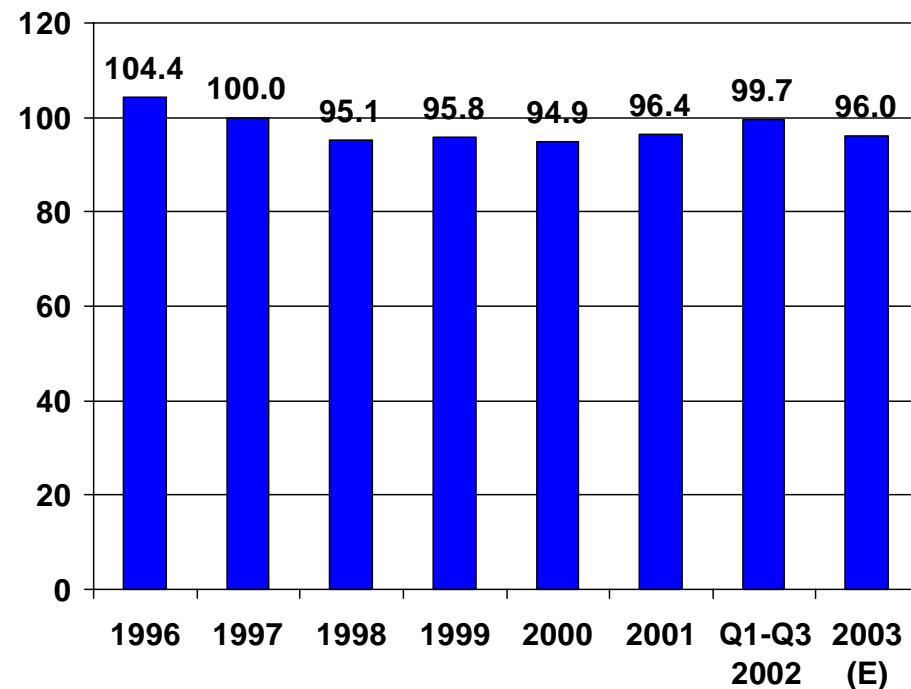


Trend in Topdanmark's ratios

Expense ratio



Combined ratio excl. 1999's storm



Non-life

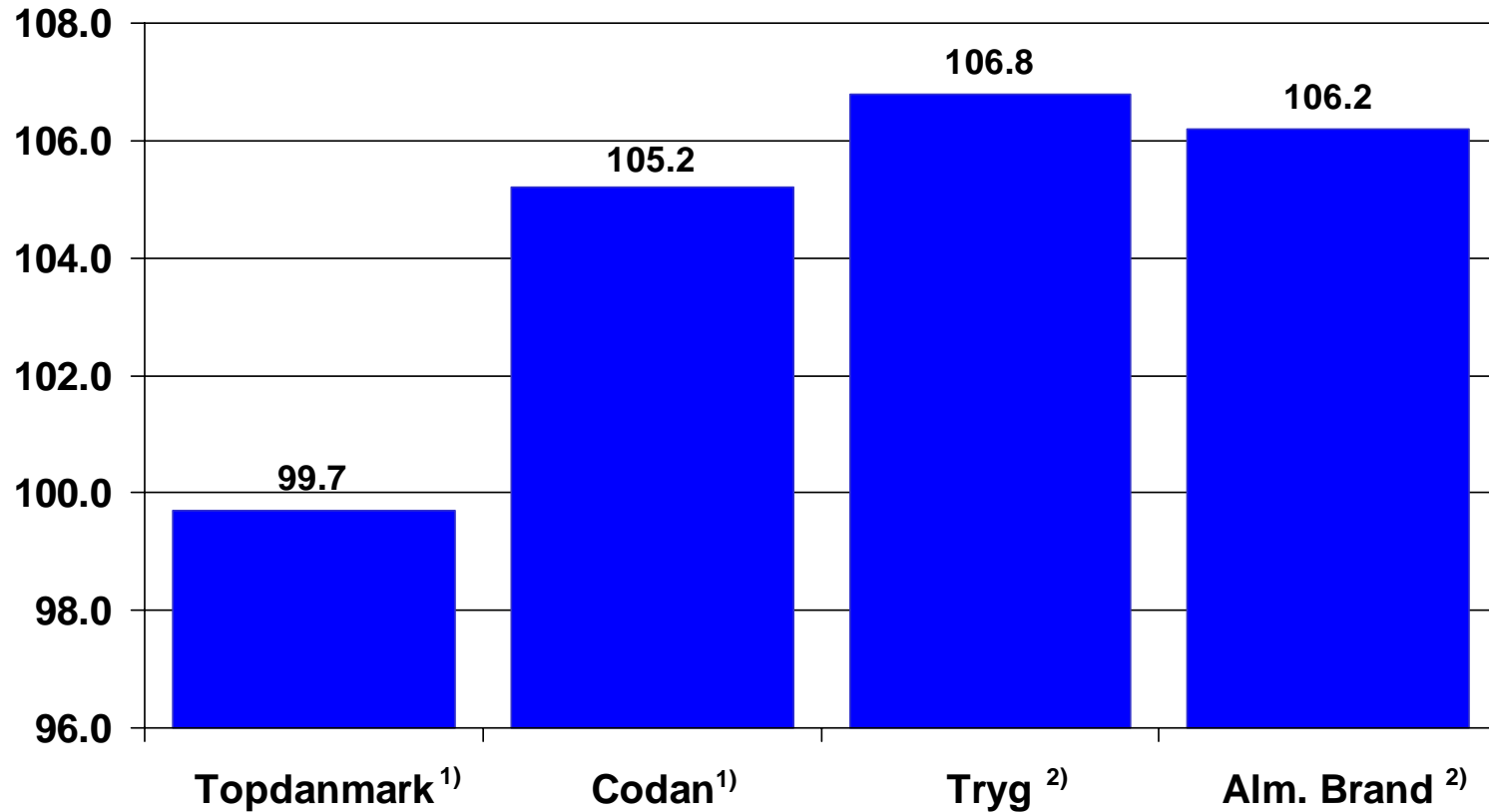


Topdanmark



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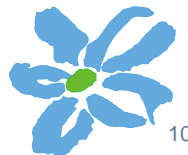
Comparison of combined ratio



1) Q1-Q3 2002

2) H1 2002

Non-life



What has happened in the world around us?

Fair lost about DKK 400m.

IA → Topdanmark

Provinzial → Alm. Brand

Allianz Nordeuropa → Alka

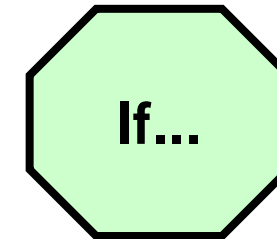
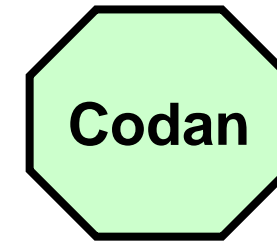
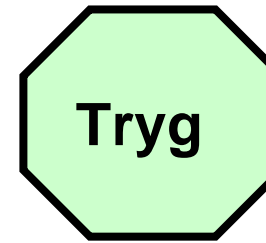
Trekroner → Codan

Zürich → Tryg

Plus Forsikring bankrupt

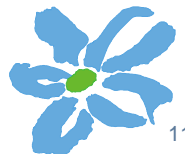
Gerling throttling down

Hamburg-Mannheimer stops writing new business



Non-life

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Can profit be made on non-life insurance?

Assumptions

- Shareholders' funds 50% of premium income
- Combined ratio 96%
- Technical interest rate 3%
- Return on shareholders' funds 7%

Return on operations

- Income 100
- Technical interest 3
- Expenditure 103

- Expenditure 96

7 ~ ROE = 14%

Return on shareholders' funds

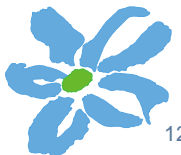
- ROE before taxation

7%

21%



Non-life



Necessary initiatives already implemented

- 5.9% growth in premiums in Q1 - Q3 2002
- Distribution through "home" going well
- New customers from Plus Forsikring
- 7 - 8% growth in premiums expected in 2002
- More claims to be expected in future due to more unstable weather
- Announcement of sufficient increases in premium rates of just over 2%
- Increased sales expected through Danske Bank / BG Bank
- 8 - 9% growth in premiums expected in 2003
- Combined ratio about 96% expected in 2003



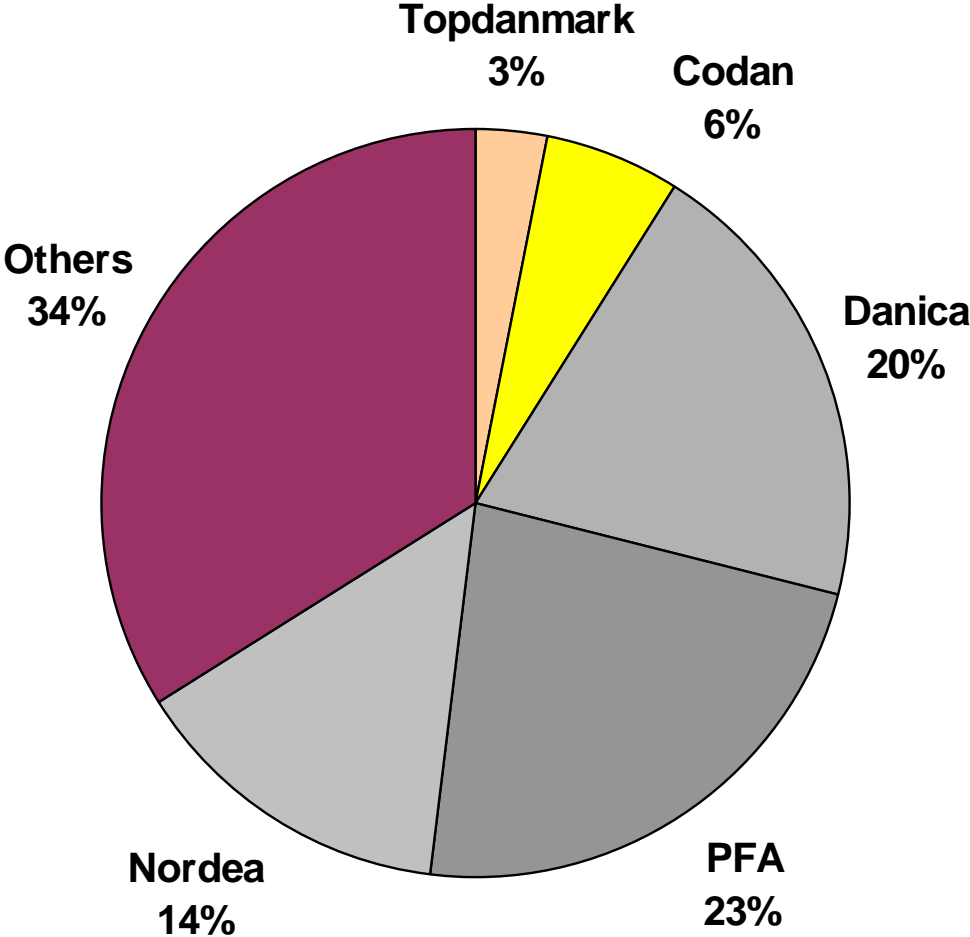
Non-life

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Life insurance - market share



Life



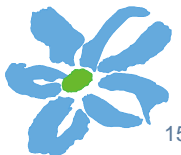
Continued growth in life insurance

- 36.3% growth in premiums in Q1 - Q3 2002
- Improved competitive position
- In Danish Financial Supervisory Authority's green classification throughout 2002
- Business relationship initiated with Association of Danish Savings Banks (about 300 branches)
- Introduction of new unemployment insurance
- Expected premium growth significantly higher than market in 2002
- Expected premium growth higher than market also in 2003
- Lower result in life insurance in 2002 due to new definition of profit



Life

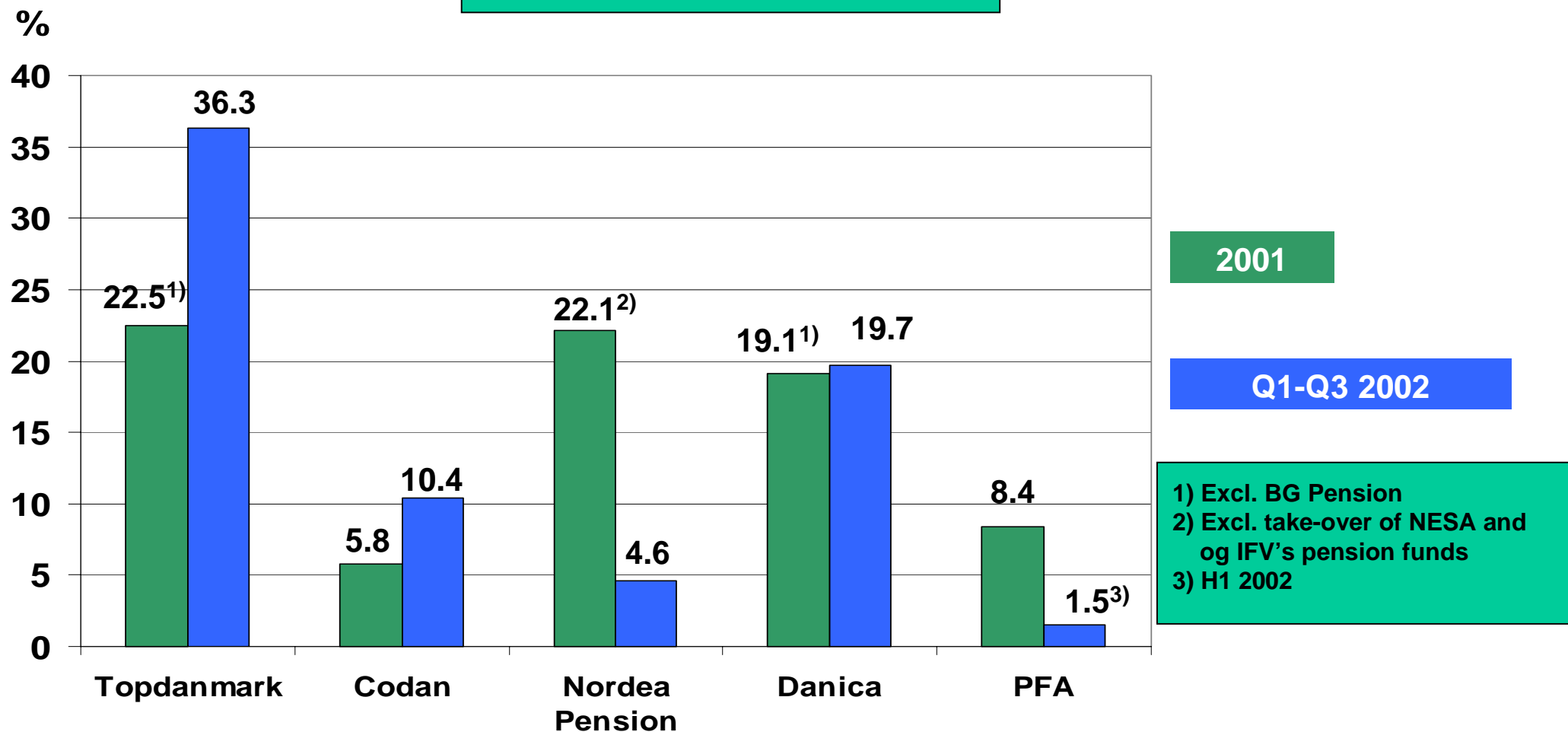
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Excellent improvement in life insurance premiums

Overall trend in premiums



Life

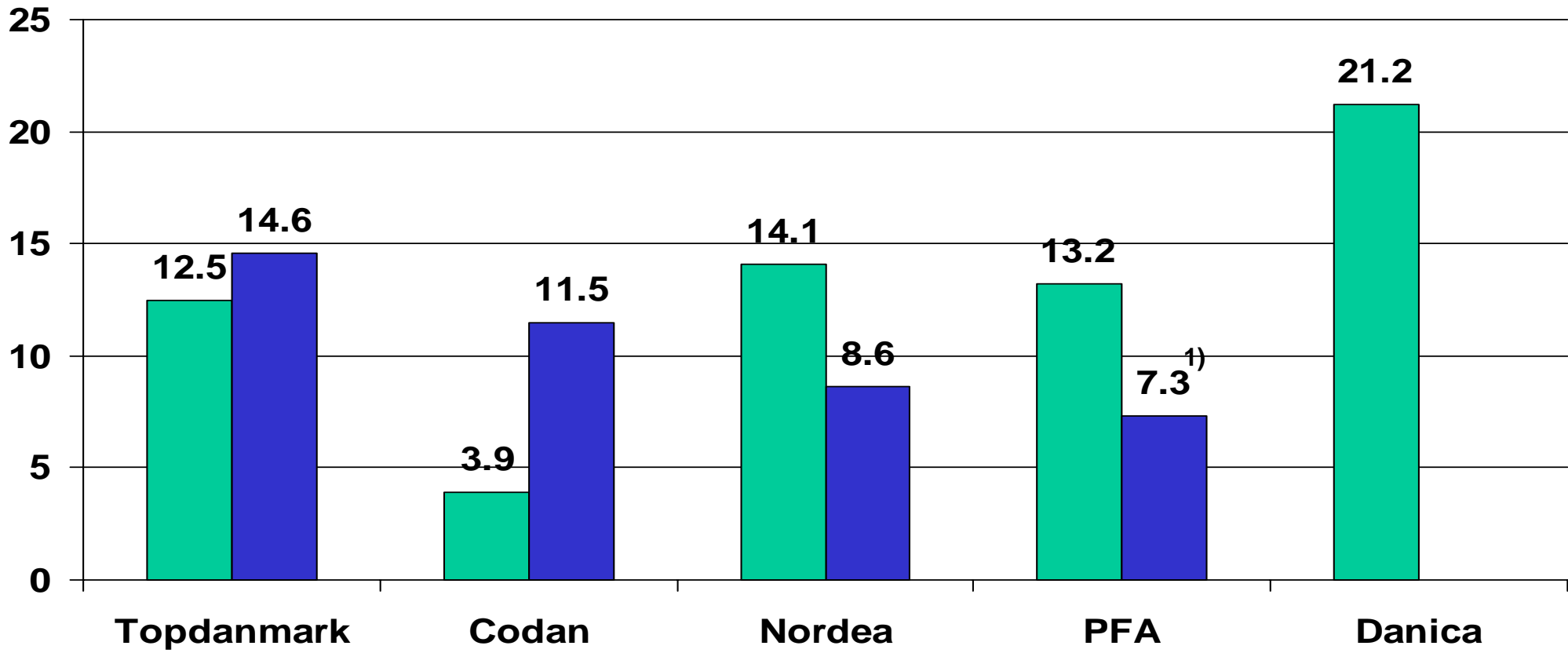


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Growth in premiums

Life - regular premiums



1) H1 2002

■ 2001 ■ Q1-Q3 2002

Life



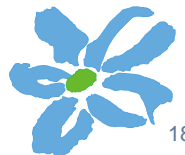
Share buy-back to continue unchanged

- Since 1998, 35% reduction in share capital due to share buy-back programme.
- Share buy-back of DKK 682m in 2002 to date
- Expected share buy-back for 2002 continues to be DKK 600 - 700m



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18

Unchanged profit forecast for 2002

- Expected post-tax earnings of DKK 325 - 425m in 2002
- Assumed loss of DKK 117m from shareholding in Danske Bank

Assumptions:

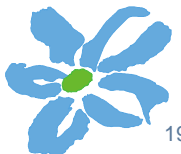
- Unchanged foreign exchange rates
- Stable interest rates
- An annual 8.5% return on equities.

as compared with level on 25 November 2002



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www.topfacts.dk

