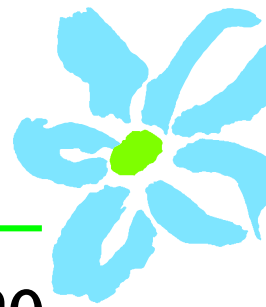


# Topdanmark

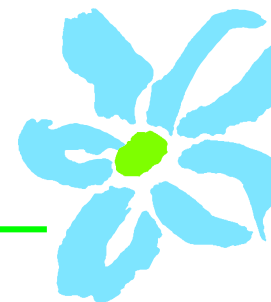
## Half-Yearly Results 2000

# Main events

---

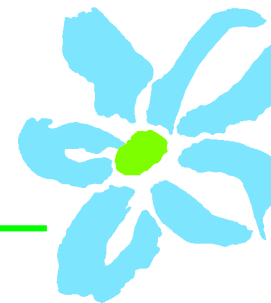


- In spite of DKK 400m reserve strengthening the result for the first half of 2000 was a DKK 312m profit (1999 half-year: DKK 354m)
- After adjusting for hurricane claims / Eureka gain the post-tax profit rose 42% to DKK 504m (1999 half-year: DKK 354m)
- The technical result increased 115% to DKK 404m
- The profit forecast of DKK 550-600m for 2000 remains unchanged

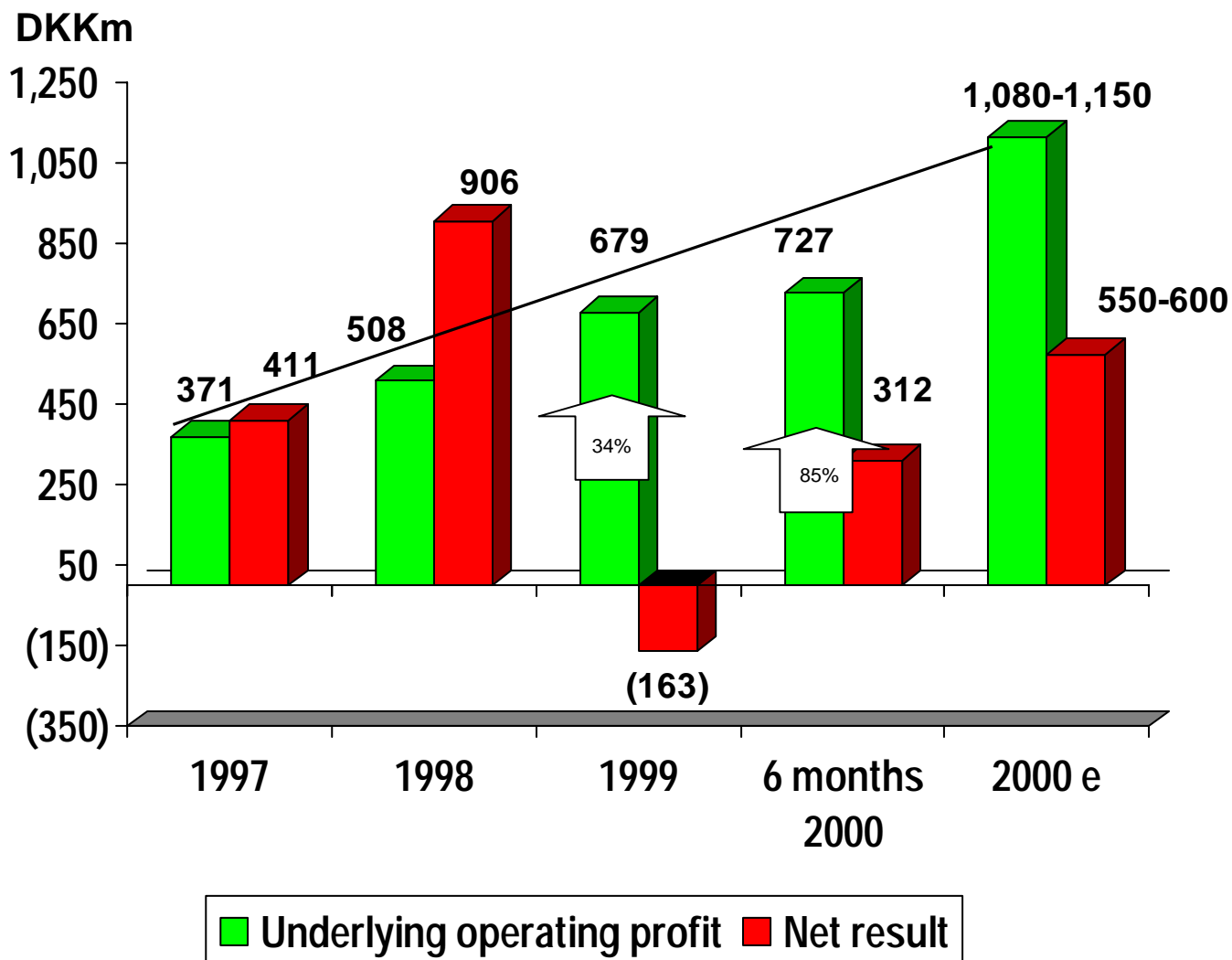


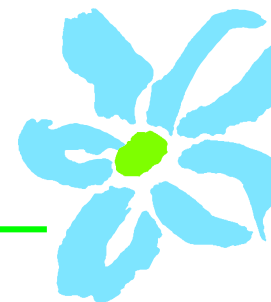
# Trend in results

<b>DKKm</b>	<b>6 months 2000</b>	<b>6 months 1999</b>	<b>Full year 1999</b>
<b>Non-life insurance (incl. RealDanmark)</b>	<b>700</b>	<b>325</b>	<b>490</b>
<b>Life assurance</b>	<b>35</b>	<b>35</b>	<b>66</b>
<b>Parent company etc.</b>	<b>(8)</b>	<b>34</b>	<b>123</b>
<b>Underlying operating profit</b>	<b>727</b>	<b>394</b>	<b>679</b>
<b>Hurricane claims</b>	<b>(400)</b>	<b>0</b>	<b>(1,040)</b>
<b>Goodwill amortisation/ extraordinary items</b>	<b>(37)</b>	<b>0</b>	<b>(64)</b>
<b>Taxation</b>	<b>22</b>	<b>(40)</b>	<b>262</b>
<b>Profit / (loss) for the period</b>	<b>312</b>	<b>354</b>	<b>(163)</b>



# Trend in results

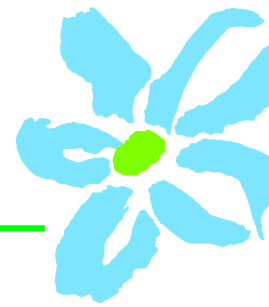




# Strengthened reserves

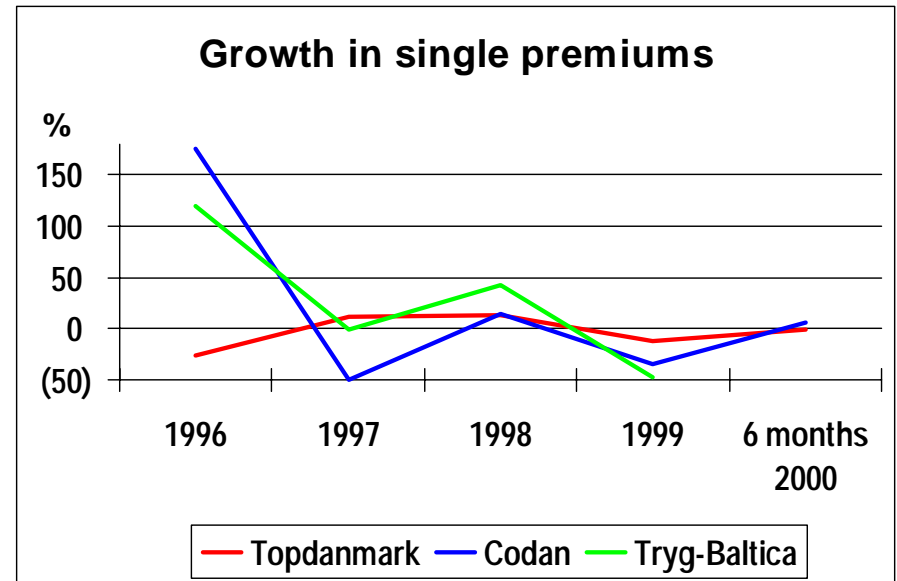
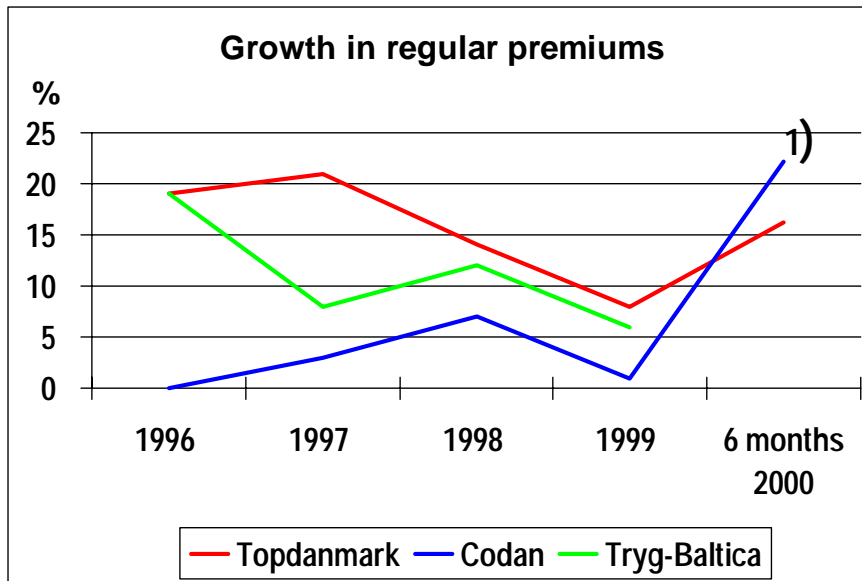
---

- Estimated hurricane claims on a national scale of DKK 12-15bn against DKK 8bn in the 1999 accounts
  - Six times greater than the claims suffered on the previous worst storm on Danish records
- Topdanmark increased reserves by DKK 400m in the first half of 2000
- Reserves strengthening due to
  - Revaluation of individual claims
  - Increase in damage restoration costs
  - More claims

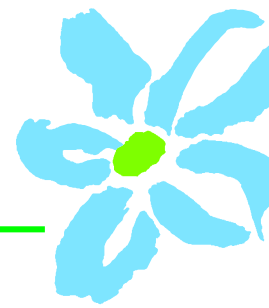


# Life assurance

- 16.2% improvement in regular premiums
- 1.5% decrease in single premiums
- 9.2% overall improvement in premiums in the first half of 2000



1) Affected by certain agreements recognised as income sooner than in previous years

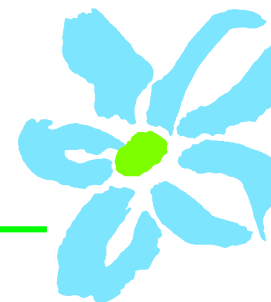


# Life assurance

---

## Prospects

- Separation of risk and savings parts
- Savings part
  - Unit-linked policies
- Focus on risk part
  - Change in profit limitation
  - Sub-supplier to external savings units
- Establishment of Nykredit Livsforsikring
- Provision of services via the Internet



# Can money be made on non-life insurance?

---

## Assumptions

- Shareholders' funds 50% of premium income
- Combined ratio 95%
- Technical interest rate 3%
- Return on shareholders' funds 7%

## Return on operations

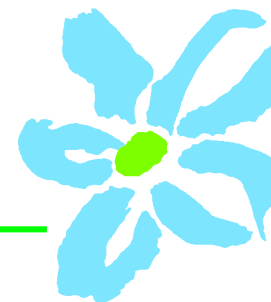
• Income	100
• Technical interest	<u>3</u>
	103
• Expenditure	95
	8 ~ ROE = 16%

Return on shareholders' funds 7%

ROE before taxation 23%



# Market shares and premium growth - non-life insurance



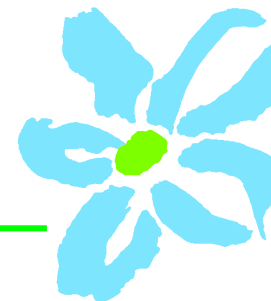
Company	Market share 1998	Market share* 1999	Growth in premium income 1999	Growth in premium income 6 months 2000
Topdanmark	14.0%	14.0%***	4.7%	4.9%**
Codan	13.1%	13.1%	3.4%	2.1%**
Tryg-Baltica + Enhjørningen	20.8%	20.4%	2.2%****	0.8

\* 1999 market shares estimated on the basis of a general growth of 4.5%

\*\* Growth in premium income excl. acquisitions

\*\*\* Incl. acquired companies the market share was about 18.5%

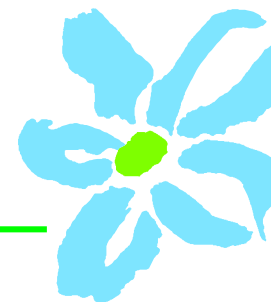
\*\*\*\* Estimated on the basis of a statement in the accounts. The accounts do not disclose sufficient information for calculating growth in premium income



# Combined ratio for Topdanmark

	6 months 2000 (excl.hurricane claims)	6 months 2000 (incl. hurricane claims)	1999 (excl. hurricane claims)
Loss ratio (%)	76.4	94.7	75.3
Reinsurance ceded (%)	(5.8)	(10.0)	(2.9)
Expense ratio (%)	70.6	84.7	72.4
Combined ratio	92.6	106.7	95.8

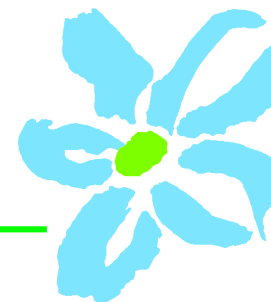
# Comparison of insurance groups' ratios (excl. hurricane)



	Topdanmark	Codan	Tryg-Baltica	Alm. Brand
<b>Loss ratio on own account (%)</b>	<b>69.2</b>	<b>79.7</b>	<b>72.4</b>	<b>71.0</b>
<b>Expense ratio on own account (%)</b>	<b>22.7</b>	<b>34.2</b>	<b>25.7</b>	<b>32.0</b>
<b>Combined ratio on own account (%)</b>	<b>91.9</b>	<b>113.9</b>	<b>98.1 <sup>1)</sup></b>	<b>103.0</b>

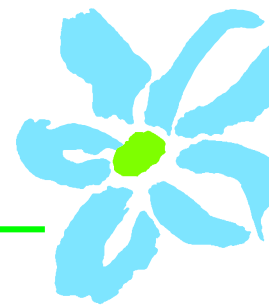
1) Affected by run-off gains

# Comparison of insurance groups' ratios (incl. hurricane)



	Topdanmark	Codan	Tryg-Baltica	Alm. Brand
<b>Loss ratio on own account (%)</b>	<b>84.5</b>	<b>79.7</b>	<b>88.6</b>	<b>94.0</b>
<b>Expense ratio on own account (%)</b>	<b>22.7</b>	<b>34.2</b>	<b>25.7</b>	<b>32.0</b>
<b>Combined ratio on own account (%)</b>	<b>107.2</b>	<b>113.9</b>	<b>114.3 <sup>1)</sup></b>	<b>126.0</b>

**1) Affected by run-off gains**

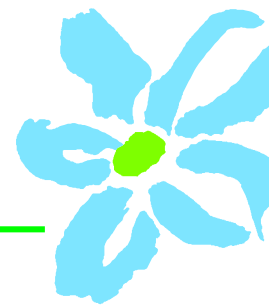


# Non-life insurance

---

## Prospects

- Increase in premium rates for certain sectors
- Focus on critical illness / health insurance
- Services and sales via the Internet
- Listing of if... on the stock exchange?
- Increase in reinsurance expenses

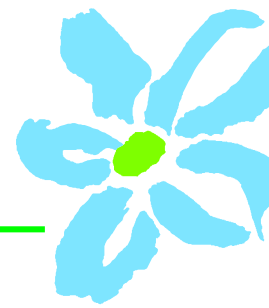


# Reinsurance

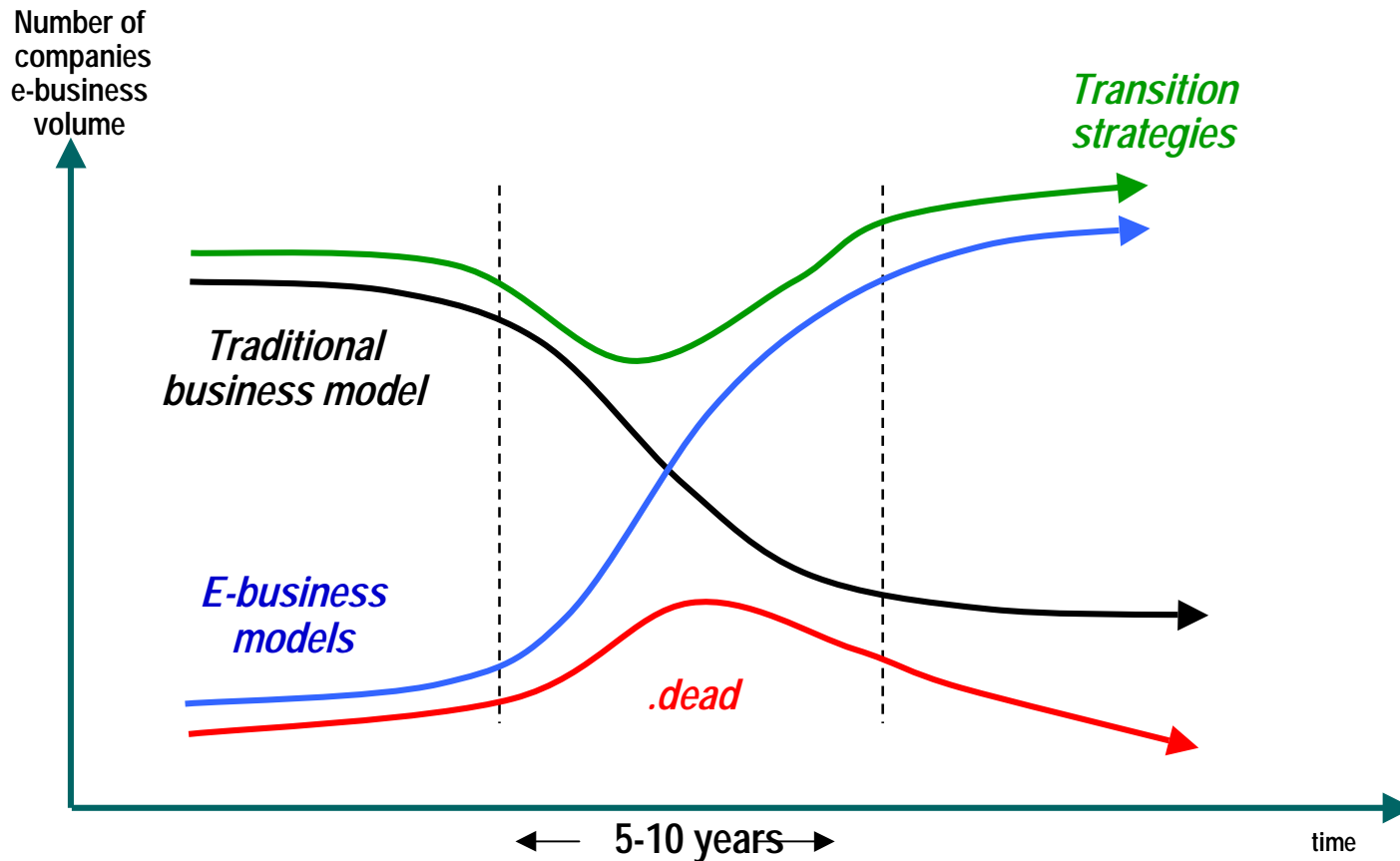
---

- Reinsurance ceiling on storms increased from DKK 800m to DKK 3bn
  - Additionally just over DKK 300m relating to Danske forsikring
- Causing DKK 47m of additional expenditure in 2000
- Causing additional expenditure when the basic cover of DKK 800m is to be renegotiated in August 2001
- Increase in premium rates matching the increase in reinsurance expenses

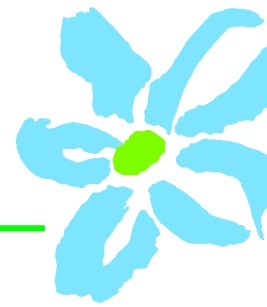
# In the long term e-commerce will change insurance business models. E-commerce to ensure that Topdanmark utilises the potential of the new economy



*- The winners will be those organisations which manage to optimise the operations of the traditional business and are capable of making a controlled transition to e-business -*



# The e-commerce strategy is part of Topdanmark's overall goals and strategies



## Topdanmark's objectives and goals

### Objectives:

- to carry out nation-wide, Danish life and non-life insurance and pension fund business
- to be attractive to customers by being an independent and pre-eminent insurance group
- to ensure that its shareholders achieve a long-term, competitive, stable return

### Goals:

- to improve its position in the Danish insurance market
- to ensure that its expense ratio is lower than the general market level
- to ensure that its premium growth is higher than that of the market
- to ensure that the Topdanmark share reflects insurance risk rather than investment risk
- to ensure that Topdanmark is a both attractive and liquid share
- to be able to attract and keep qualified employees



- Organic growth, but also including close co-operation with alliance partners and acquisitions, should the opportunity arise

- Insurance risk rather than investment risk

- Multi-string

- Life and non-life insurance and pension fund products

- To be a dynamic company encouraging personal and career development



# Objectives, goals and strategies for e-commerce in Topdanmark



## It is Topdanmark's e-commerce objective to:

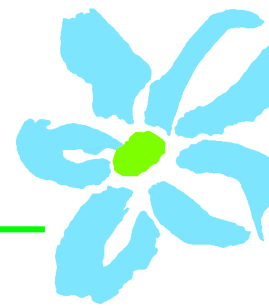
- support Topdanmark's business sectors, including alliance partners, with e-commerce solutions
- improve the quality of customer contact via e-commerce
- develop e-commerce solutions contributing to continuously optimising its use of resources and improving its volume of business
- ensure that e-commerce supports a multi-string distribution strategy

## It is Topdanmark's e-commerce goals to:

- primarily use e-commerce for keeping and increasing Topdanmark's competitive advantages, including:
  - enhanced market position
  - progressively lower expense ratio
  - improved customer loyalty among profitable customers
  - optimising of loss ratio

## It is Topdanmark's e-commerce strategy to:

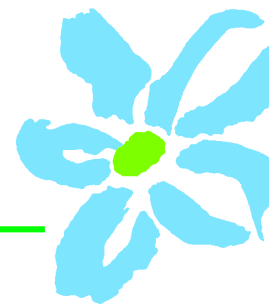
- offer customers the opportunity to buy and serve themselves via the Internet, including:
  - buying selected existing products
  - self service including claims handling
  - perhaps new product concept targeted at the Internet
- support prospect generating activities among both existing and new customers
- provide sales and services to large commercial customers via specially designed solutions
- provide sales and services through indirect sales channels via specially designed solutions
- cooperate with established portals rather than self develop
- develop e-commerce solutions for re-use across customer segments and distributions channels



# In its first stage e-commerces focuses on

---

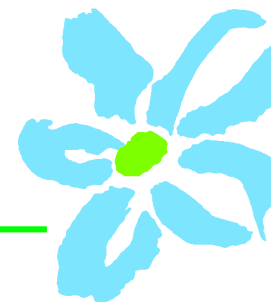
- **Self-servicing of both B2C and B2B segments**
  - **Integration of e-commerce into existing processors**
- **Increased focus on additional sales via the Internet**
  - **Initially the sale of existing products**
  - **Discussion about separate product concept**
- **Portal cooperation preferred rather than self developing**



# Share buy-back programme

---

- **Share buy-back programme for 2000:  
DKK 200-350m**
- **To date this year Topdanmark has bought  
back shares for DKK 162m**
- **Remaining share buy-back programme:  
DKK 38-188m**
- **The share buy-back programme will be  
resumed after the publishing of the 2000 half-  
yearly results**



# Profit forecast for 2000

DKKm	2000		1999	
Non-life insurance	825	-	875	380
RealDanmark	145		145	110
Life assurance	70	-	80	66
Parent company etc.	40	-	50	123
Underlying operating profit	1,080	-	1,150	679
Hurricane claims	(400)		(400)	(1,040)
Goodwill amortisation/ extraordinary items <sup>1)</sup>	(73)		(73)	(64)
Taxation <sup>1)</sup>	(57)	-	(77)	262
Profit / (loss) for the year	550	-	600	(163)

1) Not affecting liquidity