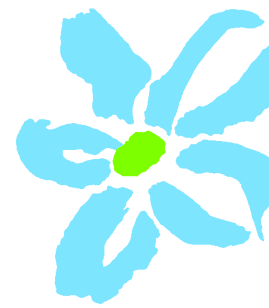


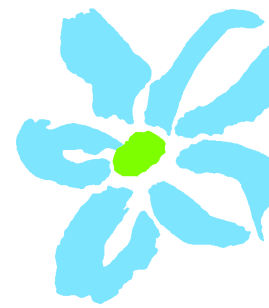
Topdanmark

Half-yearly accounts 1999



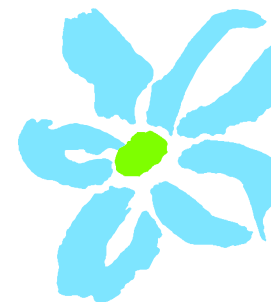
Highlights (1/2)

- **Profit of DKK 354m for the first half of 1999 (1998 half year: DKK 343m)**
- **Representing an 8.3% return on shareholders' funds, on a six-monthly basis**
- **The growth in premiums continued in the first half of 1999**
 - **Non-life: 5.2%**
 - **Life: 7.8%**



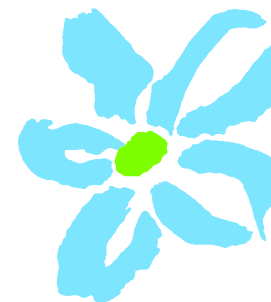
Highlights (2/2)

- **Combined ratio declined from 95.3% to 94.3%**
 - **Expense ratio declined from 24.1% to 23.4%**
- **Profit forecast for 1999 upgraded by DKK 75m in spite of post-tax capital losses of around DKK 40m incurred since 30 June 1999**



Results trend

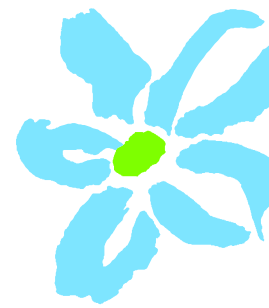
DKKm	Half-year 1999	Half-year 1998	Change (%)
Non-life insurance	247	205	20
Share of profit in Kapital Holding	69	89	(22)
Life assurance	44	43	2
Parent company	<u>34</u>	<u>18</u>	89
Pre-tax profit	394	355	11
Taxation	<u>(40)</u>	<u>(12)</u>	233
Post-tax profit	354	343	3



Market shares - life assurance

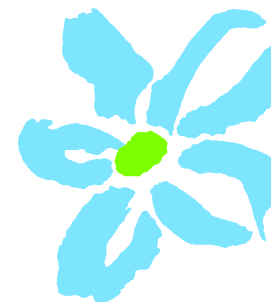
<u>Company</u>	<u>Market share 1997</u>	<u>Market share 1998¹⁾</u>	<u>Growth in prem. income Half-year 1999</u>	<u>Growth in Regular premiums Half-year 1999</u>
PFA	21.9%	22,3%	-	-
Danica	16.2%	16.8%	(48.2%)	6.3%
Tryg-Baltica	8.4%	8.3%	(23.6%)	(3.6%)
Codan	8.3%	8.1%	(2.1%)	4.0%
Topdanmark	4.0%	4.1%	7.8%	15.8%

¹⁾ Topdanmark's estimate



Trend in life assurance

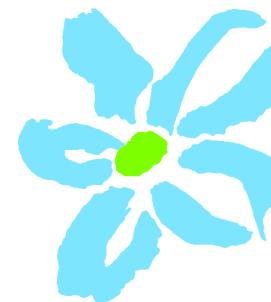
- **The uncertainty of yield guarantees has been reduced**
 - **Change in bonus regulations**
 - **Rise in interest rates**
- **Reduction in premium growth - particularly single premiums - resulting from an increase in tax on returns on pension savings**
- **Premium growth is expected to gradually increase**
- **Continued growth in health insurance and insurance against critical illness**
- **In the first half of 1999 sales through BG Bank were affected by a restructuring of the bank's distribution system**



Combined ratio for Topdanmark

	<u>Half-year 1999</u>	<u>Half-year 1998</u>	<u>Full year 1998</u>
Loss ratio	70.4%	69.3%	70.4%
Reinsurance ceded	<u>0.5%</u>	<u>1.9%</u>	<u>1.1%</u>
	70.9%	71.2%	71.5%
Expense ratio	<u>23.4%</u>	<u>24.1%</u>	<u>23.6%</u>
Combined ratio	94.3%	95.3%	95.1%

Comparison of combined ratios for half-year 1999

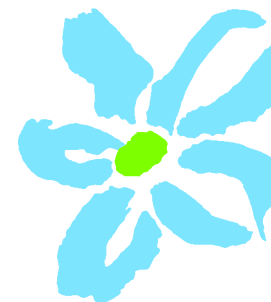


	<u>Topdanmark</u>	<u>Tryg-Baltica</u>	<u>Codan</u>	<u>Danica</u>	<u>Alm. Brand¹⁾</u>
Loss ratio on own account	69.4%	68.0% ²⁾	71.7%	67.1%	67.3%
Expense ratio on own account	<u>24.4%</u>	<u>27.6%</u>	<u>29.9%</u>	<u>29.9%</u>	<u>31.3%</u>
Combined ratio	93.8%	95.6% ²⁾	101.6%	97.0%	98.6%

1) Non-life insurance excl. reinsurance

2) The run-off result is 2.4 percentage points
The actual loss ratio is 70.4% and the combined 98.0%

Market shares - non-life insurance

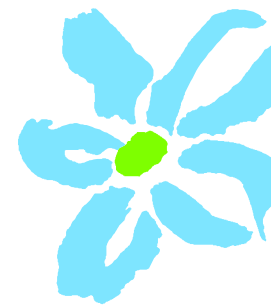


<u>Company</u>	<u>Market share Full year 1997</u>	<u>Market share Full year 1998¹⁾</u>	<u>Growth in premium income Half-year 1999</u>
Tryg-Baltica	21.2%	20.8%	1.9% ²⁾
Topdanmark	13.5%	14.1%	5.2%
Codan ³⁾	12.5%	12.7%	4.6%
Danica	4.2%	4.5%	9.3%

1) Estimated by Topdanmark

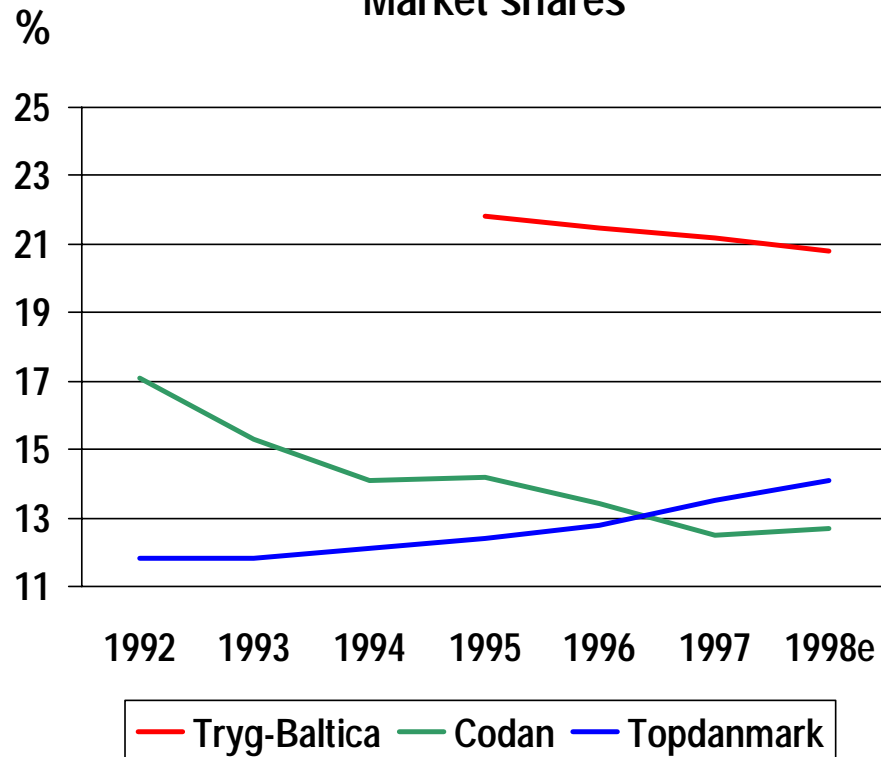
2) Dansk Kaution improved growth in premium income by about 0.8 percentage points

3) Danish insurance

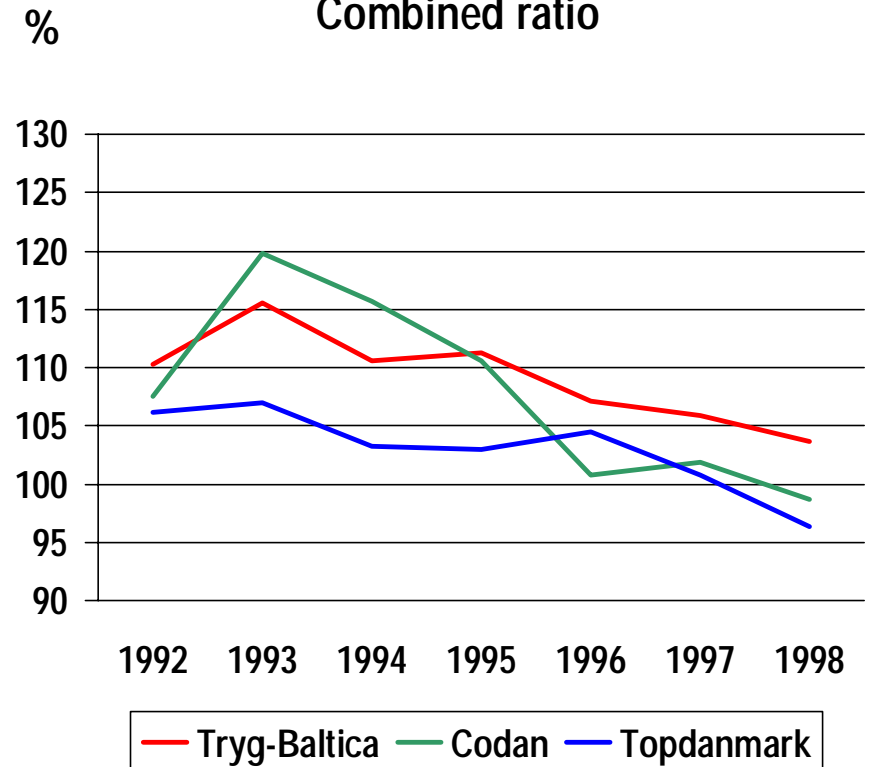


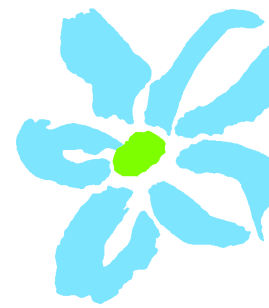
Trend in market shares and combined ratio

Market shares



Combined ratio

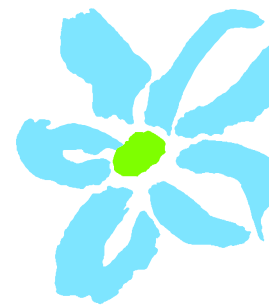




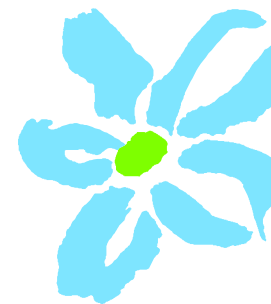
Trend in non-life insurance

- **Continued structural alignment**
 - **Tryg-Baltica taken over by Unibank**
 - **Nykredit takes over Østifterne**
 - **Establishment of Newco**
 - **Codan has bought Trygg-Hansa's non-life business**
- **Two newly established players in the market with limited sales success in relation to Topdanmark**
- **New management and structure in Skandia, Denmark**
- **In the first half of 1999 sales through BG Bank were affected by a restructuring of the bank's distribution system**

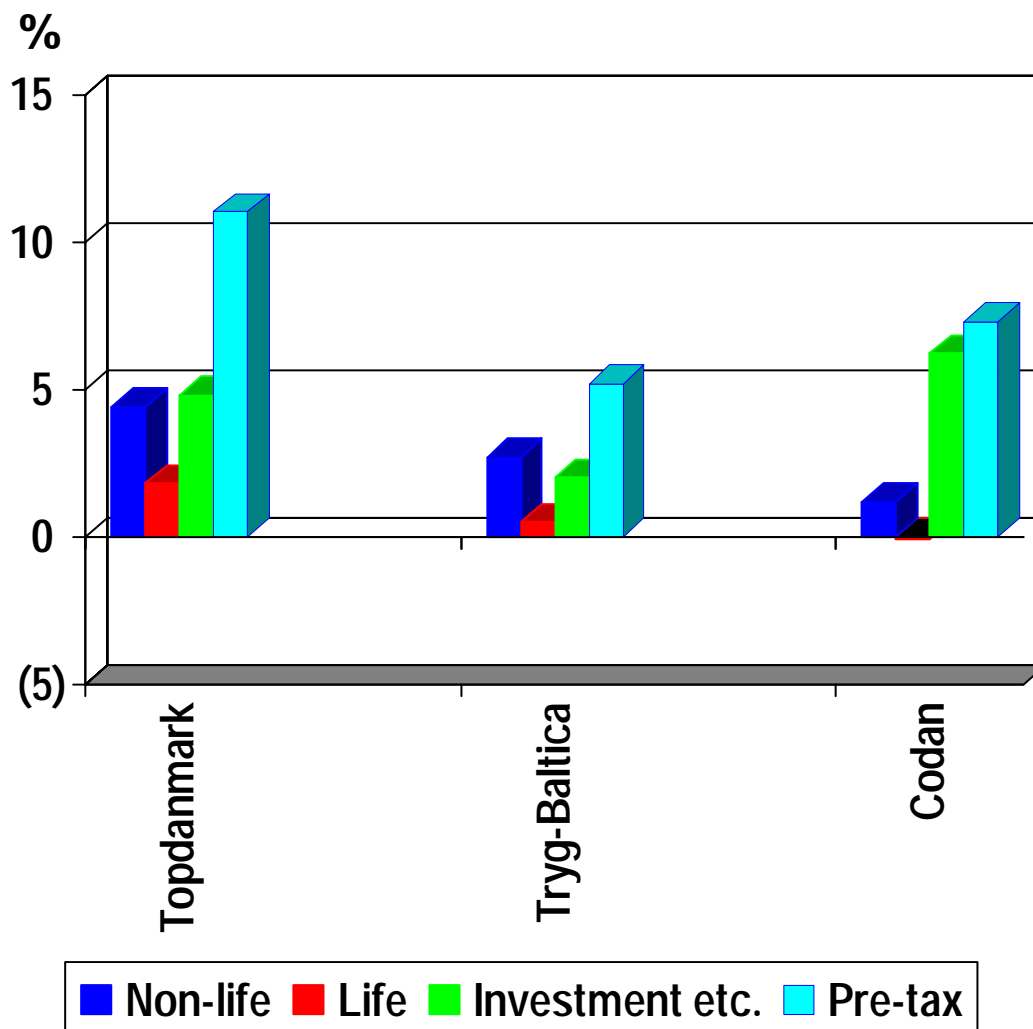
How Topdanmark wishes to create value for its shareholders

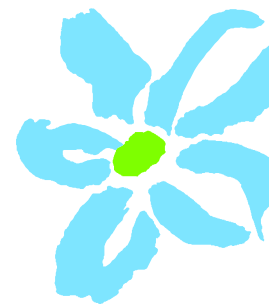


- **Aiming to continue to have a combined ratio of 95-97% for a normal year**
 - **An increase in premium income higher than that of the market**
 - **An expense ratio lower than the market level**
 - **An increase in retention**
- **Avoiding unnecessary excess capital**
 - **Ongoing share buy-back programme**
- **Topdanmark is an insurance share**
 - **Not an investment trust**



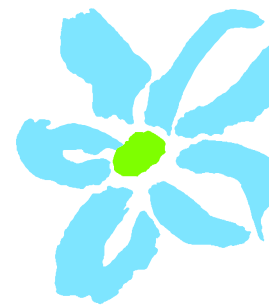
Comparison of return on shareholders' funds - half-year 1999





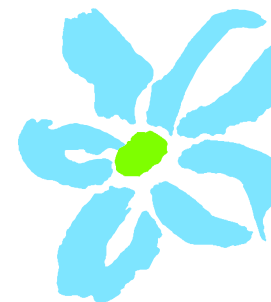
Share buy-back

- **Topdanmark has completed the first stage of its share buy-back programme for 1999 of DKK 125m**
- **The second stage of the share buy-back programme was initiated after 23 August 1999**
 - **Share buy-back of DKK 125m**
- **Topdanmark intends annual share buy-backs of DKK 250m for 1999 and 2000**
- **The share buy-back programme contributes to creating liquidity of the shares**



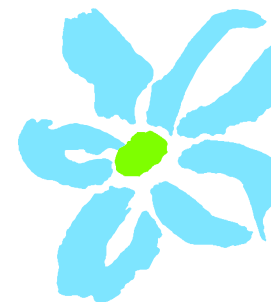
Budgetary assumptions for 1999 (1/2)

- **Expected premium growth higher than the market level**
 - **Previous assumption: premium growth in line with the market level**
- **Expected combined ratio around 95-97%**
- **Annual 5% return on investments as at 23 August 1999**
- **Annual 10% pre-tax return on the investment in Kapital Holding**



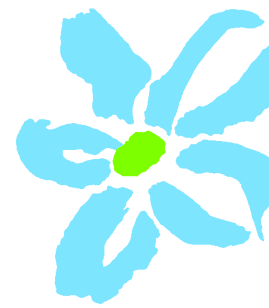
Budgetary assumptions for 1999 (2/2)

- **The return on shareholders' funds in Topdanmark Livsforsikring is equivalent to the bonus rate after real interest rate duty (4.5%) plus 3 percentage point, plus the result from health and accident insurance**
- **Significant reduction in the previously expected corporate tax payment**



Profit forecast for 1999

DKKm	Forecast 1999	Half-year 1999	Half-year 1998	Full year 1998
Non-life insurance	330 - 370	247	205	295
Kapital Holding:				
Share of profit	120	69	89	139
Merger gain	0	0	0	262
Life assurance	70 - 80	44	43	87
Parent company	50 - 60	34	18	(6)
Pre-tax profit	570 - 630	394	355	777
Taxation	(45) - (55)	(40)	(12)	129
Post-tax profit	525 - 575	354	343	906



Profit forecast

- In spite of capital losses of DKK 40m from 1 July to 23 August 1999, Topdanmark has upgraded its profit forecast from DKK 450-500m to DKK 525-575m
 - This forecast has been based on an annual 7% return on equities and stable foreign exchange and interest rates, unchanged from the level as at 23 August 1999
 - The expected profit for 1999 represents an annual 12-13% return on shareholders' funds
 - **Price/NAV ~ 1 => ROE = ROI = 12-13%**
-