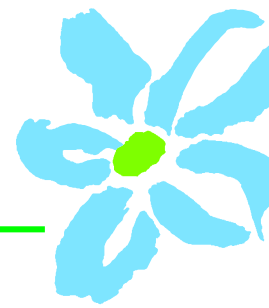


Topdanmark

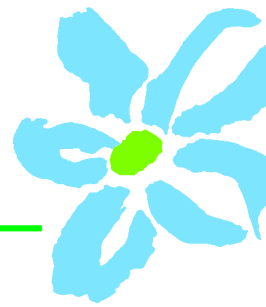
Annual Results 1999

Main events (1/2)



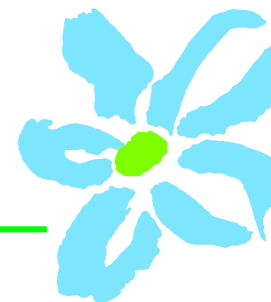
- **DKK 163m loss in 1999 due to DKK 1,040m hurricane claims**
- **Excluding hurricane claims the result would have been a DKK 596m profit**
- **Underlying operations improved 34% in 1999**
- **Again in 1999 Topdanmark's growth in both life and non-life insurance premiums was higher than the market**

Main events (2/2)

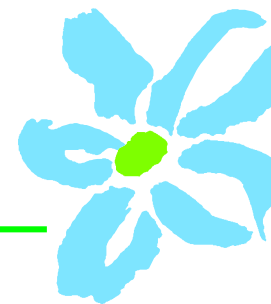


- The take-over of Den Danske Bank's non-life insurance activities in 1999 is expected to improve Topdanmark's competitiveness in the Danish market
- DKK 500-550m post-tax profit expected in 2000
- Starting to publish results quarterly in 2000

Trend in results



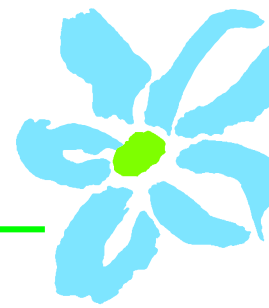
DKKm	1998	Forecast 1.11.99		1999
Non-life insurance	288	330	- 370	367
Kapital Holding	139	120	120	110
Life assurance	87	70	- 80	79
Parent company etc.	(6)	50	- 60	123
Underlying operating profit	508	570	- 630	679
Exceptional / extraordinary items	269	(75)	(75)	(1,104)
Taxation	129	(20)	- (30)	262
Profit / (loss) for the year	906	475	- 525	(163)



Effect on result of hurricane

	DKKm
Estimated hurricane claims	(1,850)
Reinsurance ceiling	800
Retention	<u>(20)</u>
	(1,070)
Equalisation provisions	<u>30</u>
Net expense on hurricane claims	1,040

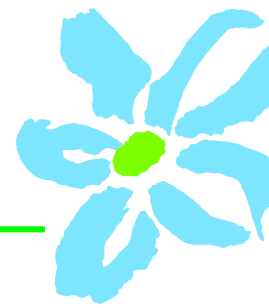
Reinsurance policy on storm (1/2)



Then

- Based on the worst storm in Denmark on record occurring in 1981 generating claims of just under DKK 500m at present value
- The reinsurance programme provided a safety margin of over 60% in excess of the claims following the 1981 storm, equivalent to DKK 800m

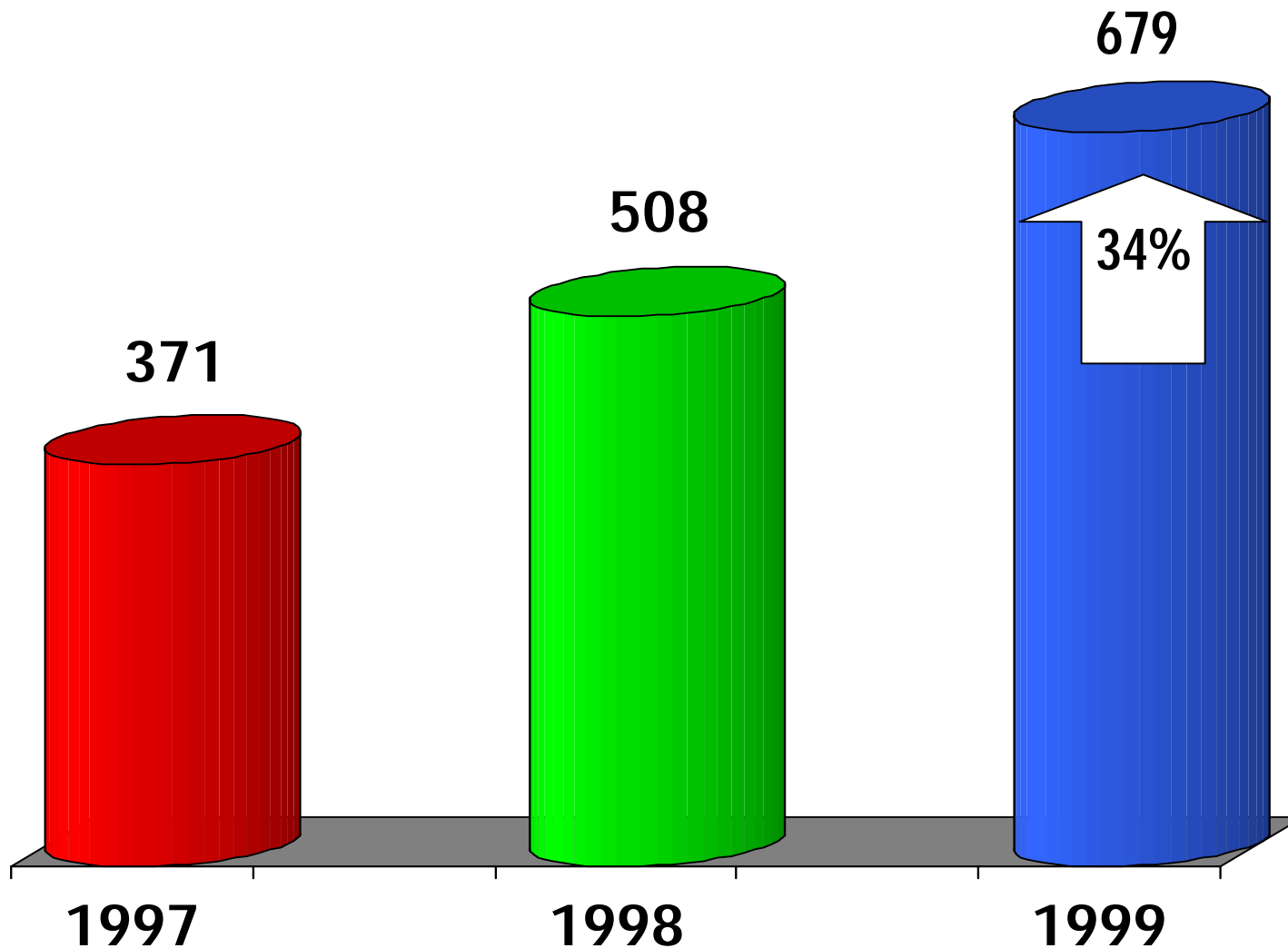
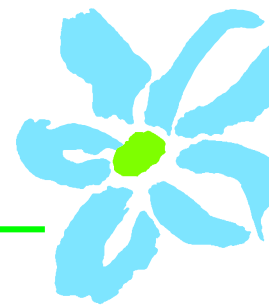
Reinsurance policy on storm (2/2)



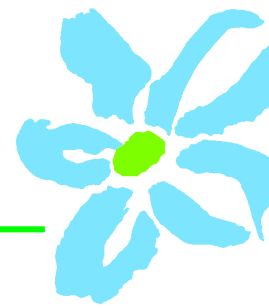
Now

- **Following the hurricane in 1999 a new level was set for any future hurricane claims**
- **Therefore Topdanmark has subscribed to additional reinsurance cover**
- **New reinsurance ceiling: DKK 1,770m**
- **The increase in reinsurance cover is expected to raise reinsurance expenditure by about DKK 35m**

Trend in underlying operations, DKKm



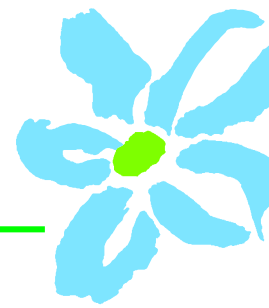
How Topdanmark intends to create value



Operations

- An increase in premium income higher than the market
- A declining expense ratio
- A reduced level of expenditure on reinsurance cover

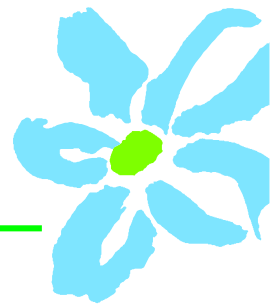
How Topdanmark intends to create value



Capital

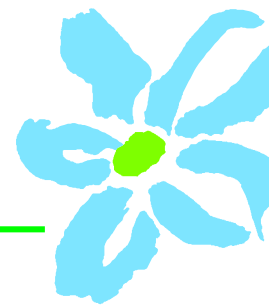
- Topdanmark is an insurance company
 - Not an investment trust
- Topdanmark intends to avoid unnecessary excess capital
 - Share buy-back

How Topdanmark intends to create value



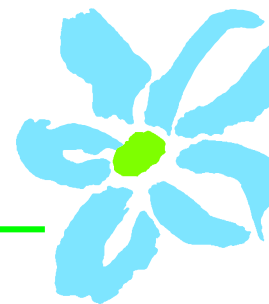
Success criteria

- Distribution efficiency
- Low expense ratio



Trends in life assurance (1/2)

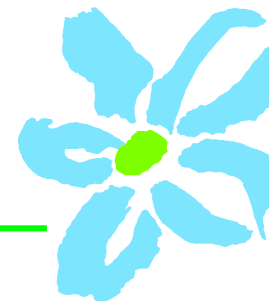
- **Uncertainty of guaranteed pension benefits reduced**
 - Increase in bonus reserves
 - Change in bonus rules
- **The Danish Government suggested an option scheme to solve the problem of guaranteed pension benefits**
- **The increased tax on pension returns had an adverse effect on premium income in 1999**



Trends in life assurance (2/2)

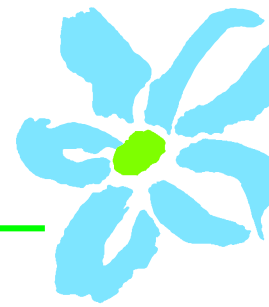
- Continued growth in "critical illness" and health insurance where Topdanmark is the second largest player
- A more normal growth in premiums is expected in 2000
- The corporate pension market is expected to grow at the expense of private schemes

Market shares -life assurance



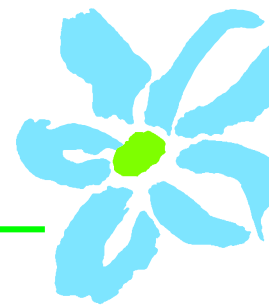
Company	Market share 1997	Market share 1998	Growth in premium income 1999	Growth in regular prem. 1999
PFA	19.1%	19.0%	-	-
Danica	18.6%	20.3%	(32.0)%	5.4%
Tryg-Baltica	9.4%	9.9%	(17.8)%	5.8%
Codan	5.7%	5.2%	(2.1)%	1.2%
Topdanmark	4.1%	4.0%	0.0%	8.1%

Trends in non-life insurance (1/2)



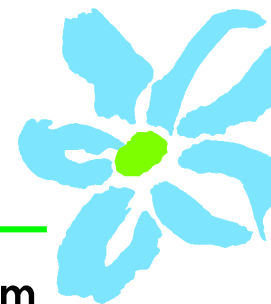
- **Divestment of non-life insurance from banking/saving/life assurance**
 - **Establishment of if... non-life insurance**
 - **Codan's purchase of Trygg-Hansa**
 - **Topdanmark's purchase of Danica Forsikring/ Danske Forsikring**
- **if... non-life insurance expected to achieve a listing on the stock exchange in 2001**

Trends in non-life insurance (2/2)



- **Bancassurance**
 - **Unibank's purchase of Tryg-Baltica/Vesta**
 - **MeritaNordbankens acquisition of Unidanmark**

- **As a consequence of the increase in future risks on storms it is expected that premium rates on storm insurance policies will be raised**
 - **Not expected to be reflected in the results for 2000**



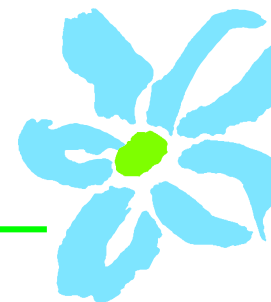
Market shares and premium growth - non-life insurance

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

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

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

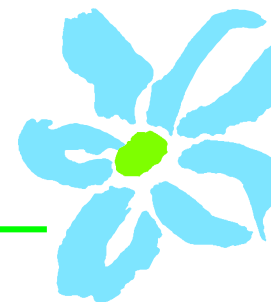
*** Incl. the Danske Bank non-life insurance portfolio the market share was around 18.5%



Combined ratio for Topdanmark

	1998	1999 (incl.hurricane claims)	1999 (excl. hurricane claims)
Loss ratio (%)	70.4	119.7	75.3
Reinsurance ceded (%)	1.1	(21.6)	(2.9)
	71.5	98.1	72.4
Expense ratio (%)	23.6	23.4	23.4
Combined ratio	95.1	121.5	95.8

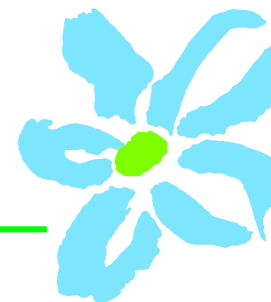
Comparison of insurance groups' ratios (excl. hurricane)



	Topdanmark	Tryg-Baltica	Codan
Loss ratio on own account (%)	71.1	75.2 *	75.0
Expense ratio on own account (%)	24.3	28.0	28.7
Combined ratio on own account (%)	95.4	103.2	103.7

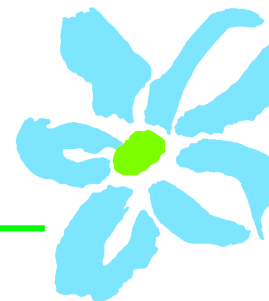
* Adjusted for previous years' extraordinarily large run-off gains of DKK 339m

Comparison of insurance groups' ratios (incl. hurricane)



	Topdanmark	Tryg-Baltica	Codan
Loss ratio on own account (%)	99.2	79.2 *	76.0
Expense ratio on own account (%)	24.3	28.0	28.7
Combined ratio on own account (%)	123.5	107.2	104.7

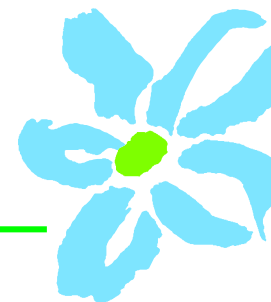
* Adjusted for previous years' extraordinarily large run-off gains of DKK 339m



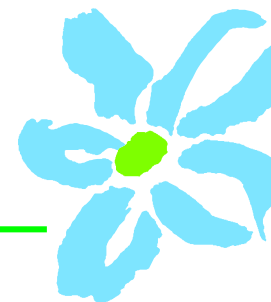
Purchase of Den Danske Bank's non-life insurance activities

- Topdanmark bought Den Danske Bank's non-life insurance activities as at 31.12.1999
- DKK 722m payment for goodwill
- Five-year working agreement on the sale of non-life insurance through Den Danske Bank's distribution network
- Topdanmark took over only a limited number of employees from Den Danske Bank
- Increase in Topdanmark's market share in non-life insurance from 14% to around 18.5%

Profit and loss account

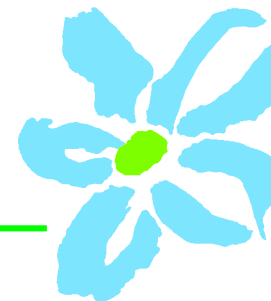


DKKm	Topdanmark	Danica Forsikring/ Danske Forsikring	Total
Gross key figures			
Premiums earned	4,178	1,326	5,504
Claims incurred	(4,990)	(1,040)	(6,030)
Operating expenses	(975)	(429)	(1,404)
On own account			
Premiums earned	3,809	1,314	5,123
Claims incurred	(3,771)	(909)	(4,680)
Operating expenses	(924)	(431)	(1,355)
Technical profit / (loss)	(709)	47	(663)
Ratios (%)			
Loss ratio	119.7	78.5	109.7
Reinsurance ceded	(21.6)	(8.8)	(18.5)
	98.1	69.7	91.2
Expense ratio	23.4	32.3	25.5
Combined ratio	121.5	102.0	116.7



Balance sheet

DKKm	Topdanmark	Danica Forsikring/ Danske Forsikring	Elimination	Total
Assets				
Investment assets	21,943	2,893	(608)	24,228
Other assets	2,892	207		3,099
Total assets	24,835	3,100	(608)	27,327
Liabilities				
Shareholders' funds	3,580	608	(608)	3,580
Technical provisions	19,637	2,276		21,913
Other liabilities	1,618	216		1,834
Total liabilities	24,835	3,100	(608)	27,327



Topdanmarks distribution efficiency

Topdanmark

- 38 sales centres
- 305 certified insur. sales repr.
- Telephone sales
- Internet

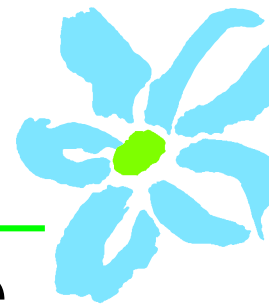
Den Danske Bank

- 415 branches
- 235 certified insur. sales repr.
- Referrals

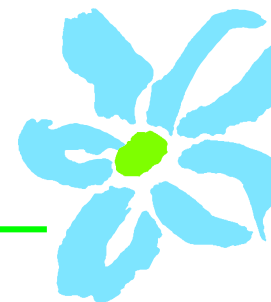
BG Bank

- 253 branches
- Referrals

2000 – a year of integration



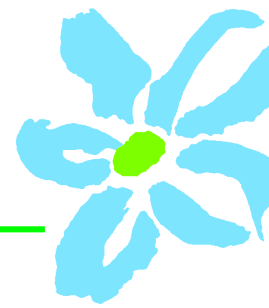
- Customer lapse from the Danica Forsikring/Danske Forsikring portfolio expected to slightly in excess of the level of new business written in 2000
- Topdanmark's overall growth in non-life insurance premiums in 2000 expected to be lower than Topdanmark's in 1999
- From 2001 Topdanmark expects a growth in its non-life insurance business in line with or higher than the market
- Due to the low expense ratio of the acquired portfolio the expense ratio is expected to fall from 23.4% in 1999 to 22.0-22.5% in 2000



Profit forecast for 2000

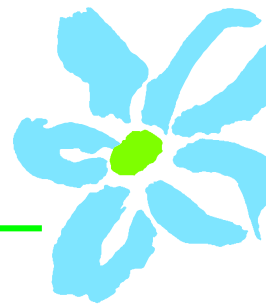
DKKm	1998	1999	2000
Non-life insurance	288	367	515 - 555
Kapital Holding	139	110	125 - 125
Life assurance	87	79	80 - 90
Parent company etc.	(6)	123	(10) - 10
Underlying operating profit	508	679	710 - 780
Exceptional / extraordinary items	269	(1,104)	(72) - (72)
Taxation	129	262	(138) - (158)
Profit / (loss) for the year	906	(163)	500 - 550

Share buy-back



- Prior to the hurricane in 1999 Topdanmark intended to buy back own shares for DKK 850-1,200m by the end of 2001
- Due to the hurricane claims the planned share buy back programme was reduced by DKK 350-500m
- It is now intended to buy back own shares for DKK 500-700m by the end of 2001
- In 2000 it is intended to buy back own shares for DKK 200-350m

Corporate Governance



Topdanmark's Board of Directors and Representative Assembly takes a keen and active approach to Corporate Governance

- **The high and consistent flow of information will be continued**
- **The rules set out in the Company's articles of association will be regularly reconsidered to ensure good Corporate Governance;**
- **Topdanmark's capital structure will continue to be adapted**
- **The revolving share option scheme will be continued**