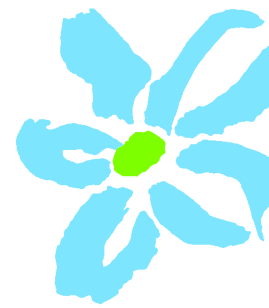


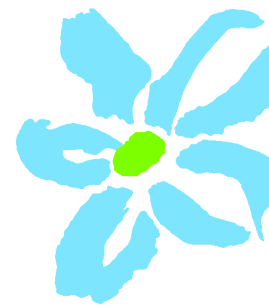
Topdanmark

June 1999



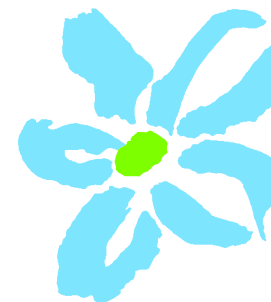
Highlights 1998 (1/2)

- **DKK 906m pre-tax profit
(1997: DKK 411m)**
- **DKK 508m underlying operating profit
after adjusting for exceptional /
extraordinary items and taxation,
equivalent to a 13.6% ROE
(1997: DKK 371m)**
- **The 1998 underlying operating profit
exceeded the DKK 425-475m upgraded
forecast profit published in the 1998 half-
yearly announcement**



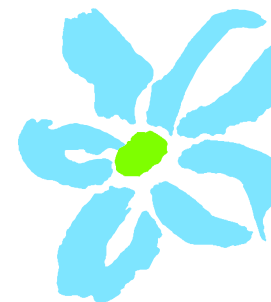
Highlights 1998 (2/2)

- **DKK 78m transferred to equalisation provisions in 1998 (1997: DKK 40m)**
 - **Technical result of non-life insurance increased by DKK 165m and by DKK 203m after adjusting for equalisation provisions**
 - **Combined ratio declined to 95.1% (1997: 100.0%)**
 - **Satisfactory growth in premium income:**
 - **Non-life insurance: 6.7%**
 - **Life assurance: 15.1%**
 - **DKK 250m distribution by way of share buy-back (1997: DKK 118m)**
-



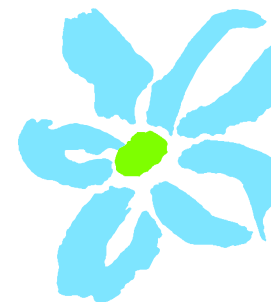
Results trend

DKKm	1998	1997
Underlying operating profit	508	371
Exceptional / extraordinary items	269	44
Taxation	129	(4)
Profit for the year	906	411



Underlying operating profit

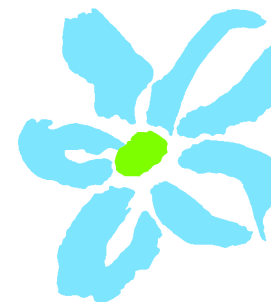
DKKm	1998	1997
Non-life insurance	288	193
Share of profit in Kapital Holding / BG Bank	139	83
Life assurance	87	50
Other activities	9	11
Parent company	(15)	34
Underlying operating profit	508	371



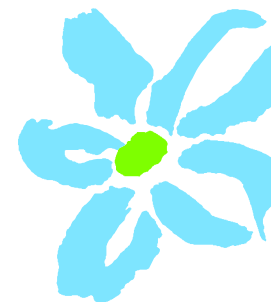
Exceptional / extraordinary items

DKKm	1998	1997
Gain on the establishment of Kapital Holding	262	
Gain on BG Bank shares	7	
Gain on the sale of Topdanmark Garanti		25
Gain on the sale of shares in Eureka B.V. and Sydbank		104
Write-down of shares in BG Bank		(46)
Exceptional items in BG Bank and Eureka B.V.		(39)
Exceptional / extraordinary items	269	44

Tax asset included as income

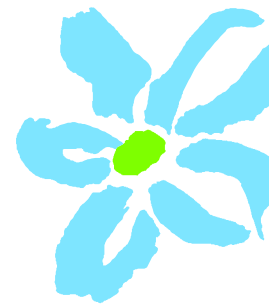


DKKm	Group		Parent company	
	1998	1997	1998	1997
Tax in non-jointly taxed subsidiaries	(11)	0	0	0
Tax asset included as income in life assurance company	64	0	0	0
Tax asset included as income in the Group excl. life assurance group	152	0	152	0
Tax in associated companies	(24)	(4)	(24)	(4)
Reimbursed tax relating to prior years	1	0	1	0
Taxation	182	(4)	129	(4)



Results trend

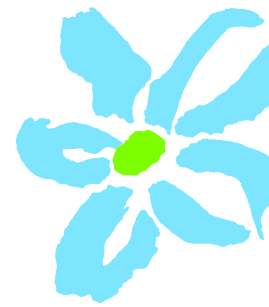
DKKm	1998	1997
Non-life insurance	696	263
Life assurance	87	50
Other activities	9	11
Parent company	(15)	91
Taxation	129	(4)
Profit	906	411



Trends in life assurance (1/2)

- **Growing market**
 - **About 10% annual growth**
- **Growth in premiums in 1998**
 - **Significant growth in first half-year particularly in regular premiums due to high bonus rates**
 - **Moderate demand in second half-year due to "Whitsun-package" and agreement on Fiscal Act**
- **"Whitsun-package"**
 - **Stricter taxation → lower return**

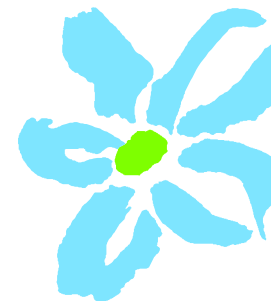
Trends in life assurance (2/2)



- **Yield guarantees**
 - **Dilution of bonus reserves**
 - **Negotiations with Government**
- **New products**
 - **Critical illness**
 - **Health insurance**

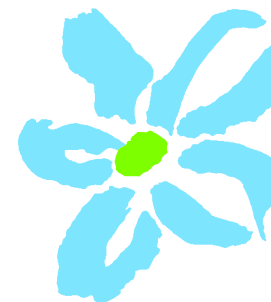
Topdanmark Livsforsikring A/S

1998 accounts (DKKm)



Deviation as compared with the accounts for 1997

1997 accounts		50.0
Deviations:		
Premium income	[(7.2)%]	63.4
Claims paid/provisions for policyholders	[(15.0)%]	(174.6)
Bonus equalisation		354.2
Reinsurance		(32.4)
Expenses		37.5
Investment income		(267.7)
Health/accident		<u>(7.5)</u>
		(27.1)
Taxation		<u>64.0</u>
Profit for 1998		<u>86.9</u>



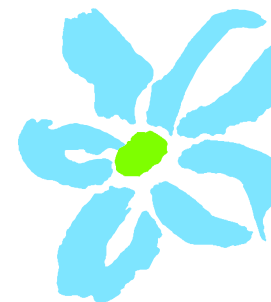
BG Pension

1998 accounts (DKKm)

Deviation as compared with the accounts for 1997

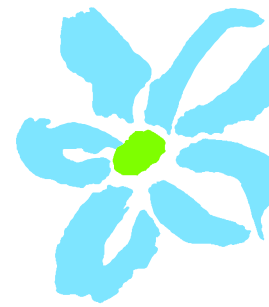
1997 accounts			31.9
Deviations:			
Premium income	[(23.4)%]	197.3	
Claims paid/provisions for policyholders	[(30.0)%]	(268.4)	
Bonus equalisation		156.0	
Reinsurance		0.5	
Expenses		(6.8)	
Investment income		(79.5)	
Health/accident		<u>(4.4)</u>	
			(5.3)
Other ordinary income			(1.9)
Extraordinary expenses			0.3
Taxation			<u>(7.2)</u>
Profit for 1998			<u>17.8</u>

Trend in market share Life assurance



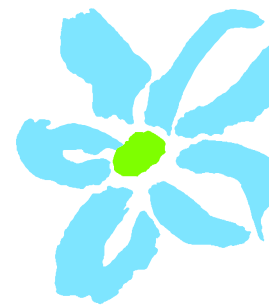
Company	Market share 1996	Market share 1997	Growth in prem. income 1998	Growth in prem. income Regular premiums 1998
PFA	18.3%	19.3%	16.6%	13.4%
Danica	19.0%	17.2%	26.3% } 13.8% ¹⁾	9.4%
Tryg-Baltica	8.4%	6.5%	22.0%	7.8%
Codan	6.6%	5.6%	9.7%	6.5%
Topdanmark	3.8%	4.1%	15.1%	15.4%

1): Excl. transfers of pension funds



Trends in non-life insurance (1/2)

- **Saturated market**
 - **4-5% annual growth in line with indexation**
- **Intensified competition in 1998**
 - **Danica, Enhjørningen**
 - **Skandia**
 - **2 newly established companies**
- **Unibank's take-over of Tryg-Baltica**

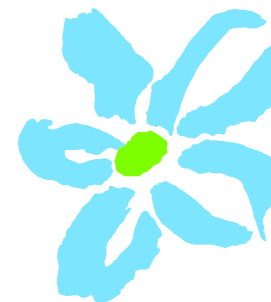


Trends in non-life insurance (2/2)

- **Exceptionally low loss ratio in 1998**
 - **2-3 percentage points lower than for a normal year**
- **First quarter 1999 indicated another year with a low loss ratio**
- **Continued severe competition in 1999**
 - **No extraordinary premium increases**
- **Lower premiums growth in 1999**

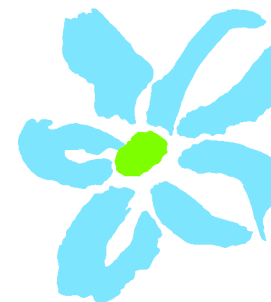
Topdanmark Forsikring A/S

1998 accounts (DKKm)



Deviation as compared with the accounts for 1997

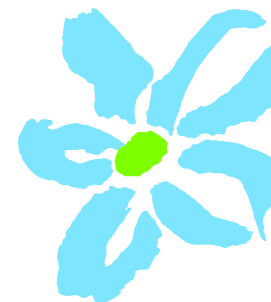
1997 accounts			308.8
Deviations:			
Premiums earned	[(5.2)%]	184.2	
Claims	[(0.7)%]	17.3	
Reinsurance		3.8	
Expenses	[(4.3)%]	(36.5)	
Equalisation provisions		5.0	
Strengthening of provisions		<u>(7.1)</u>	
Operational changes			166.7
Return subsidiaries		24.1	
Return associated companies		305.3	
Other investment income		<u>(6.6)</u>	
Investment changes			322.8
Extraordinary items			(19.2)
Taxation			<u>(20.4)</u>
Profit 1998			<u>758.7</u>



Combined ratio for Topdanmark

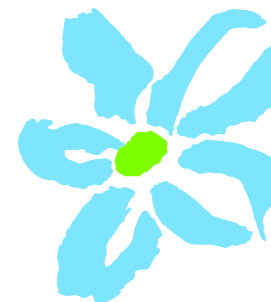
	<u>1998</u>	<u>1997</u>	<u>1996</u>
Loss ratio	70.4%	74.3%	75.5%
Expense ratio	23.6%	24.0%	24.8%
Reinsurance ceded	<u>1.1%</u>	<u>1.7%</u>	<u>4.1%</u>
Combined ratio	95.1%	100.0%	104.4%

Comparison of combined ratios for insurance groups



	<u>Topdanmark</u>	<u>Codan</u>	<u>Tryg-Baltica</u>	<u>Danica</u>
Loss ratio	70.4%	67.0%	73.8%	71.3%
Expense ratio	23.6%	28.0%	28.0%	29.3%
Reinsurance ceded	<u>1.1%</u>	<u>4.9%</u>	<u>0.6%</u>	<u>0.6%</u>
Combined ratio	95.1%	99.9%	102.4%	101.2%

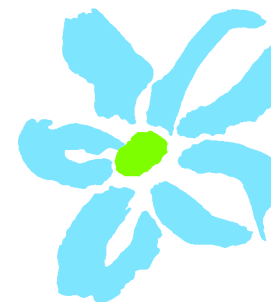
Trend in market share - Non-life insurance



Company	Market share 1996	Market share 1997	Growth in premium income 1998
Tryg-Baltica	21.3%	20.9%	0.5%
Topdanmark	12.8%	13.5%	6.7%
Codan	13.4%	12.5%	3.5%
Alm. Brand	8.2%	8.5%	6.4%
Skandia	4.8%	4.7%	-
Danica	4.0%	4.2%	7.9%
Alka	3.2%	3.3%	4.9%
Østifterne	2.0%	2.3%	7.4%

Topdanmark A/S

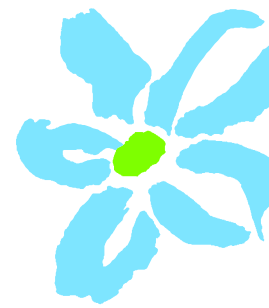
1998 accounts (DKKm)



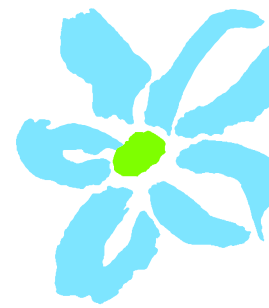
Deviation as compared with the accounts for 1997

1997 accounts		410.6
Deviations:		
Changes, insurance operations	166.7	
Changes, insurance investments	<u>322.8</u>	
		489.5
Other subsidiaries	(2.6)	
Investment income	<u>(47.1)</u>	
		(49.7)
Administrative expenses		(0.4)
Extraordinary items		<u>(76.1)</u>
Taxation		132.6
Profit 1998		<u>906.5</u>

Topdanmark's development strategy

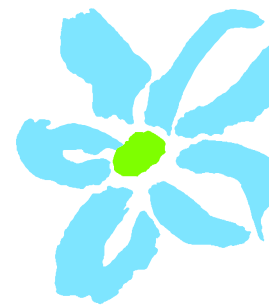


- **Organic growth**
- **Growth via alliance partners**
- **Acquisitions**



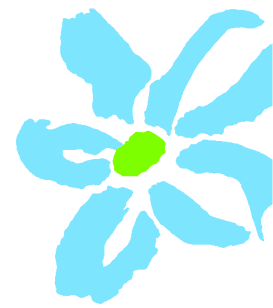
Organic growth

- **Topdanmark's own sales channels are based on**
 - **Sales centres**
 - **A locally anchored team of certified insurance representatives**
 - **Telephone sales**
- **Intensified competition**
- **Topdanmark expects that organic growth will only match market growth in the future**



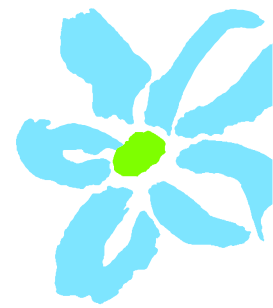
Growth via alliance partners

- **Alliance partners**
 - **BG Bank**
 - **(Realkredit Danmark)**
- **Sales via alliance partners are a supplement to organic growth**
- **Organic growth and growth via alliance partners are expected to generate an overall premiums growth higher than that of the market**



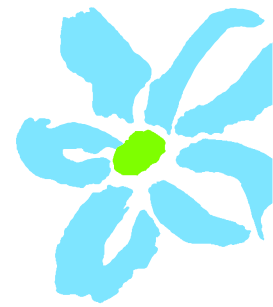
Acquisitions

- **Financially and organisationally Topdanmark is ready to acquire insurance companies in the Danish market**
- **Acquisitions that increase premium income by 10% preferred**
- **Few/no prospective acquisitions**



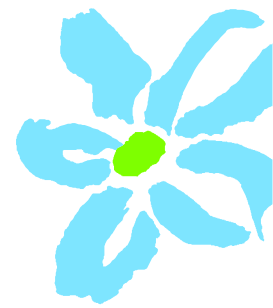
Original budgetary assumptions for 1999 (1/2)

- **No exceptional / extraordinary items expected nor creation of a further tax asset**
- **Non-life insurance**
 - **Lower premiums growth than in 1998**
 - **Loss ratio expected to be at a more normal level**
 - **Expense ratio expected to slightly decline**
 - **Combined ratio expected to be around 98%**
 - **Budgetary assumption of a 10% pre-tax return on the investment in Kapital Holding**



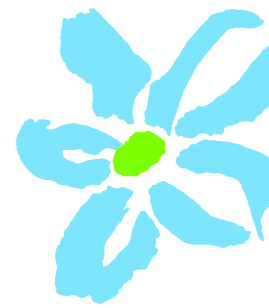
Original budgetary assumptions for 1999 (2/2)

- **Life assurance**
 - **ROE equivalent to the bonus rate after real interest rate duty (4.5%) plus 3 percentage points, plus the result from health and accident insurance**
- **Effective tax rate of about 20% plus tax on share of profit in Kapital Holding**



Revised budgetary assumptions for 1999 (2/2)

- **Topdanmark's growth in premiums for 1999 expected to be in line with market**
- **Combined ratio for 1999 expected to be lower than 98%**



Expected result for 1999

- **On 18 May 1999 Topdanmark upgraded its profit forecast for 1999 from the original forecast of DKK 380-420m to DKK 450-500m**
- **Corresponding to a ROE of 11-12%**