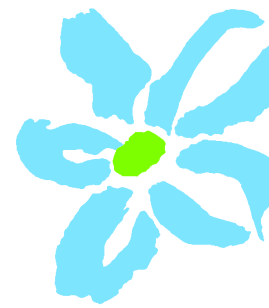


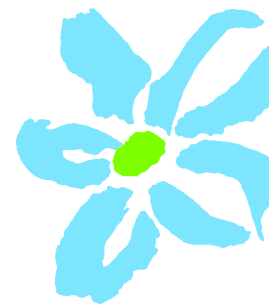
**Press and analysts meeting
31 January 2000**

Previous announcements about the hurricane

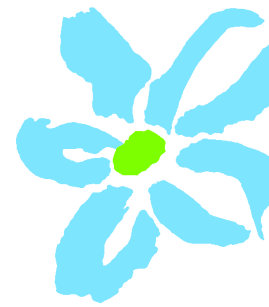


- **The trade**
 - **Immediately after the hurricane**
 - **About DKK 1bn**
- **Mid-December 1999**
 - **About DKK 4bn**
- **25 January 2000**
 - **DKK 7 - 7.5bn**

Previous announcements about the hurricane

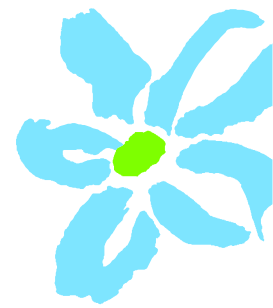


- **Topdanmark**
 - **Immediately after the hurricane**
 - **Claim payments would not exceed the reinsurance ceiling of DKK 800m**
 - **28 December 1999**
 - **Risk of claim payments of DKK 800 - 1,200m**



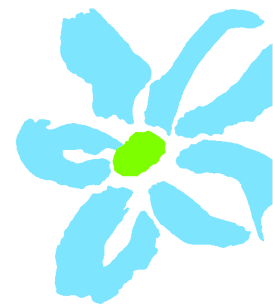
Profit warning 28 December 1999

- **The announcement on 28 December 1999 was based on inspection of 1,700 of the largest claims**
- **Conservative claims estimate**
 - **Expected average claim of DKK 22,000 against experience of DKK 13,000**



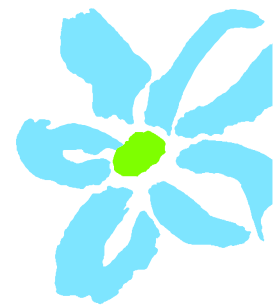
Profit warning 28 December 1999

- **Contents of announcement**
 - **Risk of claim payments of DKK 800 - 1,200m**
- **Claims estimate subject to considerable uncertainty**



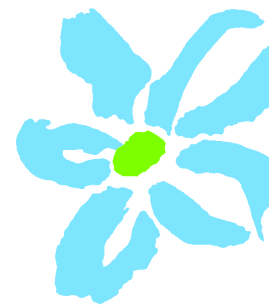
Profit warning 28 December 1999

- **DKK 50m upgrade of underlying operating profit forecast for 1999 (including retention of DKK 45-50m)**
- **Assuming claim payments of DKK 1.2bn**
 - **DKK 190m downgrade of profit forecast for 1999 to a DKK 285 - 335m profit**



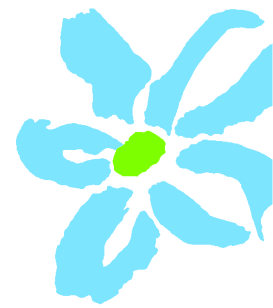
Why insurance ceiling of DKK 800m?

- **Based on the worst storm on record in Denmark in 1981**
- **After indexation etc. the storm in 1981 cost Danish insurance companies about DKK 2bn**
 - **Topdanmark just under DKK 500m**
- **Reinsurance programme provided a safety margin of over 60%**
- **Therefore reinsurance ceiling of DKK 800**



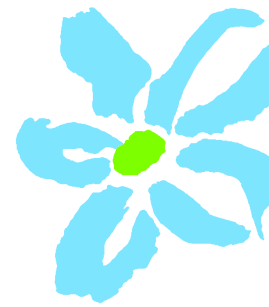
How a claims estimate is calculated

- **Together customer and Topdanmark fix a first estimate (estimate 1)**
- **Topdanmark's claims assessor inspects the claim (estimate 2)**
- **The property is repaired and the claim paid by Topdanmark**



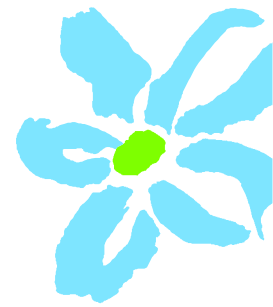
Claim payments larger than first assumed

- **Greater value and larger number of claims than first expected**
- **Larger average claim**
 - **Now 4,500 of the largest claims inspected and test checks of those remaining**
 - **Now better base of experience**
 - **Claims trend very different from previous experience**



Claim payments larger than first assumed

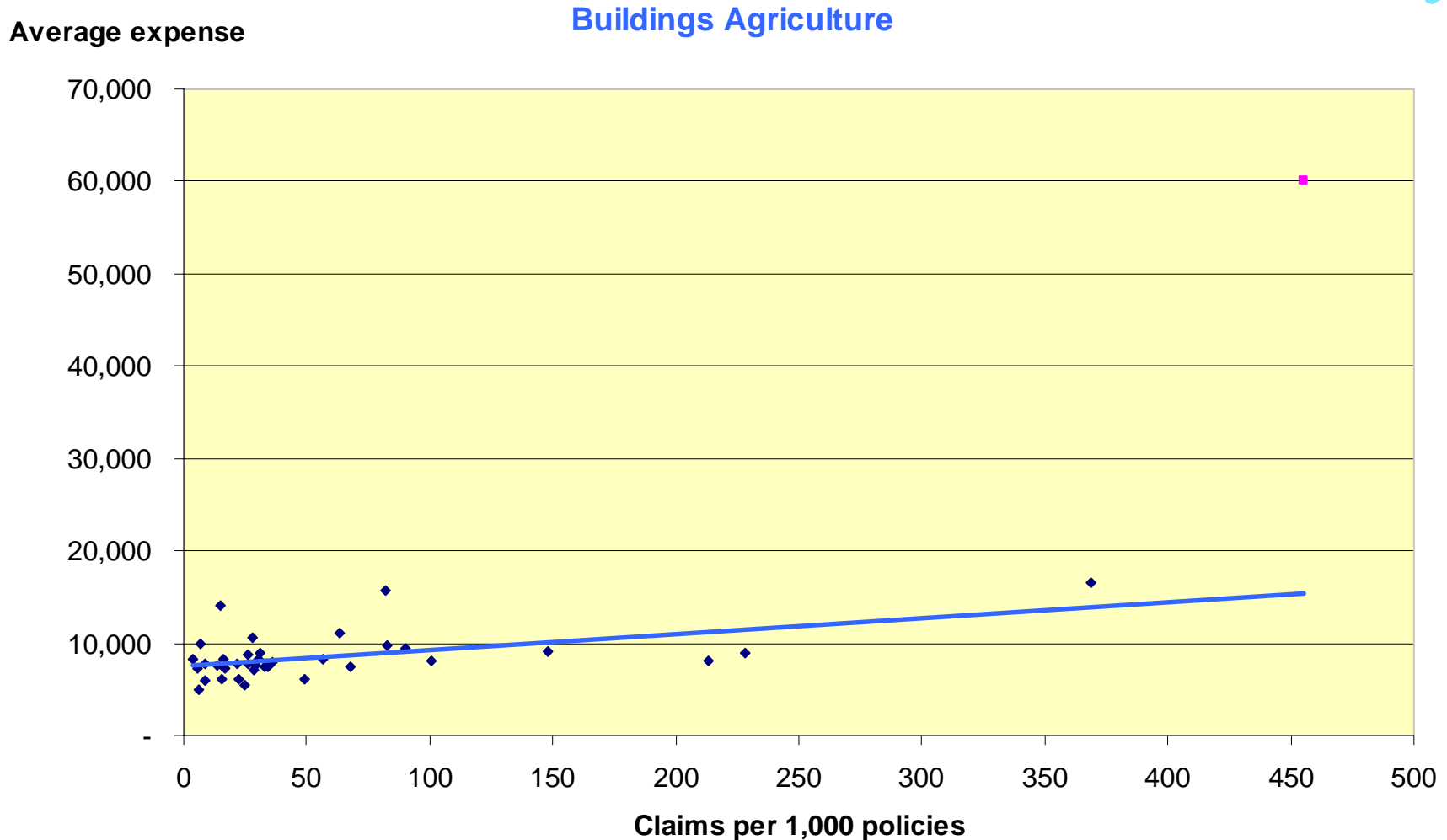
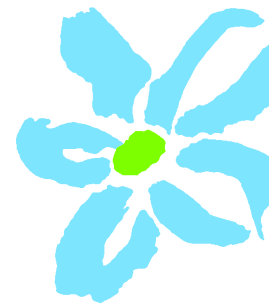
- **Considerable difference between estimate 1 and 2**
- **Larger average claim as compared with previous experience**



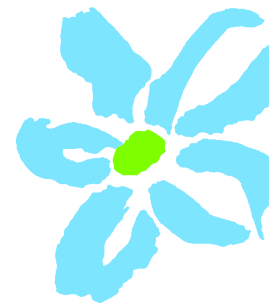
Larger claim payments than first assumed

- **More claims notifications**
 - **Claims notification pattern with a very long tail**
- **Now 60,000 claims are expected against previously 53,000**

Regression analysis - Agriculture

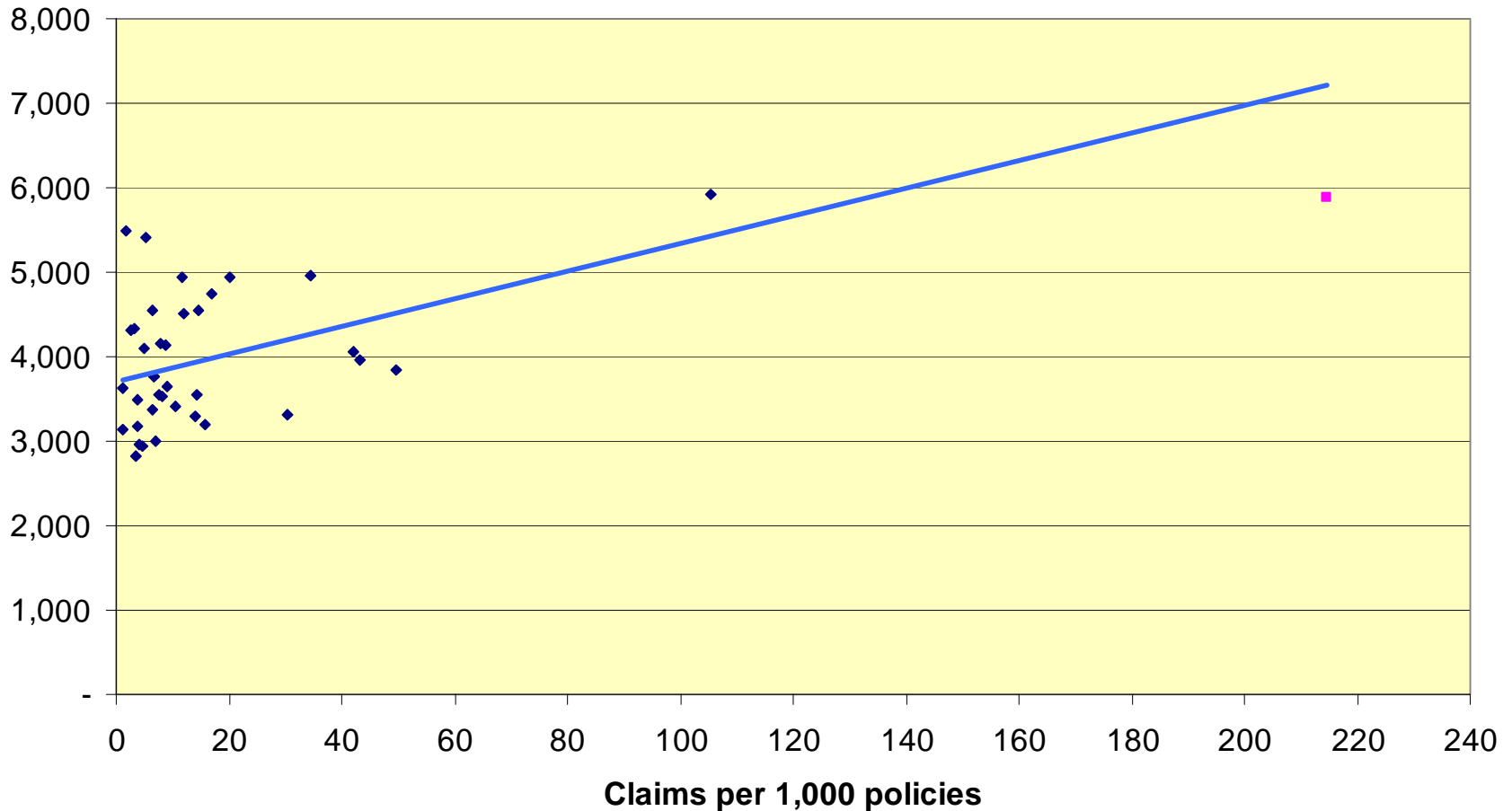


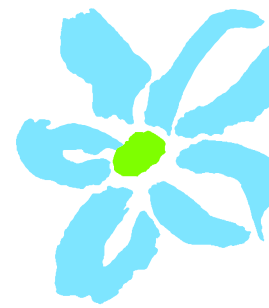
Regression analysis - Personal



Buildings Personal

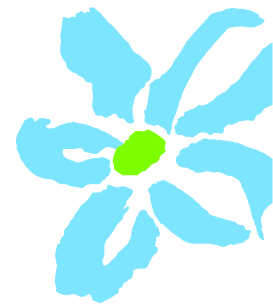
Average expense





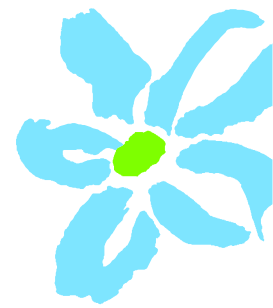
Larger average claim than first assumed

- **Average claim for agriculture**
 - **Calculation based on experience: DKK 15,000**
 - **Conservative estimate 28 December 1999: DKK 40,000**
 - **New estimate : DKK 60,000**
- **Topdanmark's market share in agricultural insurance: about 50%**
- **More normal claims trend in personal and commercial insurance**



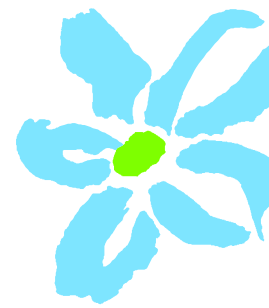
Larger average claim than first assumed

- **The average claim for all of Topdanmark arising from the hurricane is expected to be DKK 31,000**
 - **Conservative estimate 28 December 1999: DKK 22,000**



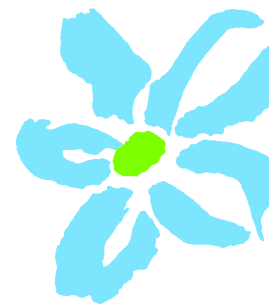
Claim payments of DKK 1.850m

- **As a result of changed assumptions, claim payments arising from the hurricane are expected to be DKK 1.850m**
- **Of which DKK 1.400m just agricultural claim payments**



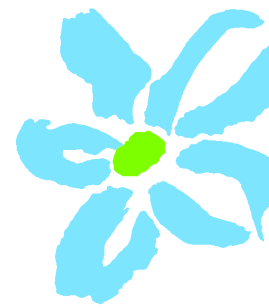
Increase in reinsurance cover

- **Reinsurance cover of DKK 800m until August 2001**
- **Topdanmark has subscribed to supplementary reinsurance cover of DKK 1,000m until August 2000**
- **New reinsurance ceiling: DKK 1.800m**



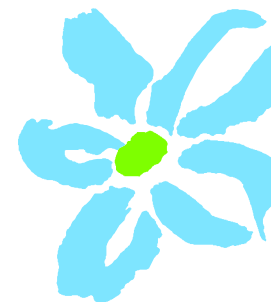
Profit forecast

- **Due to increase in reinsurance cover Topdanmark believes that the expenditure arising from the hurricane is non-recurring**
 - **Result for 2000 expected to be affected by increased cost of reinsurance cover**
 - **Hurricane claims being handled by separate task force expected to incur certain non-recurring expenditure**
-



Profit forecast

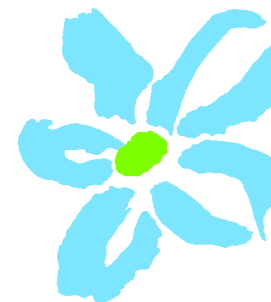
- **Operations in the rest of the group will continue unchanged**
- **The hurricane is expected to have only limited effect on future development in the Topdanmark Group**



Trend in results

DKKm	1998	1999*	Forecast 2000
Technical result, non-life	255	322	400 - 450
Effect of storm after use of equalisation provisions	0	(1,040)	0
Other income (investment income)	522	364	300 - 320
Extraordinary expenses/goodwill	0	(69)	(73)
Pre-tax profit	777	(423)	627 - 697
Taxation	129	260	(127) - (147)
Post-tax profit	906	(163)	500 - 550

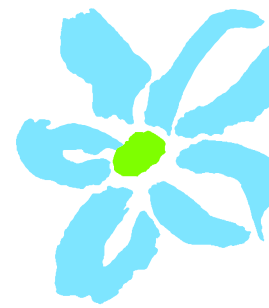
***The figures for 1999 are preliminary and unaudited**



Ratios before storm (%)

	<u>1998</u>	<u>1999*</u>	<u>Forecast 2000</u>
Loss ratio	70.2	74.9	
Expense ratio	23.8	23.5	
Gross combined ratio	94.0	98.4	
Reinsurance	1.2	(2.8)	
Net combined ratio	95.2	95.6	95 - 96.5

***Preliminary and unaudited**



Share buy-back

- **As a result of increased expenditure on the hurricane it is intended to reduce the planned share buy-back programme**
- **It is now intended to buy back own shares for DKK 500-700m by the end of 2001**