

November 2009

Topdanmark Q1 - Q3 results

Highlights

Q3 2009

- DKK 519m profit (Q3 2008: DKK 172m loss)
- Increase in CR to 90.8 from 74.6
 - Primarily due to lower gains on claims provisions but also an increase in theft claims and lower interest rates
- Increase in investment return to a DKK 443m profit from a DKK 592m loss

Q1 - Q3 2009

- DKK 1,109m profit (Q1 - Q3 2008: DKK 163m loss)

Profit forecast model for 2009

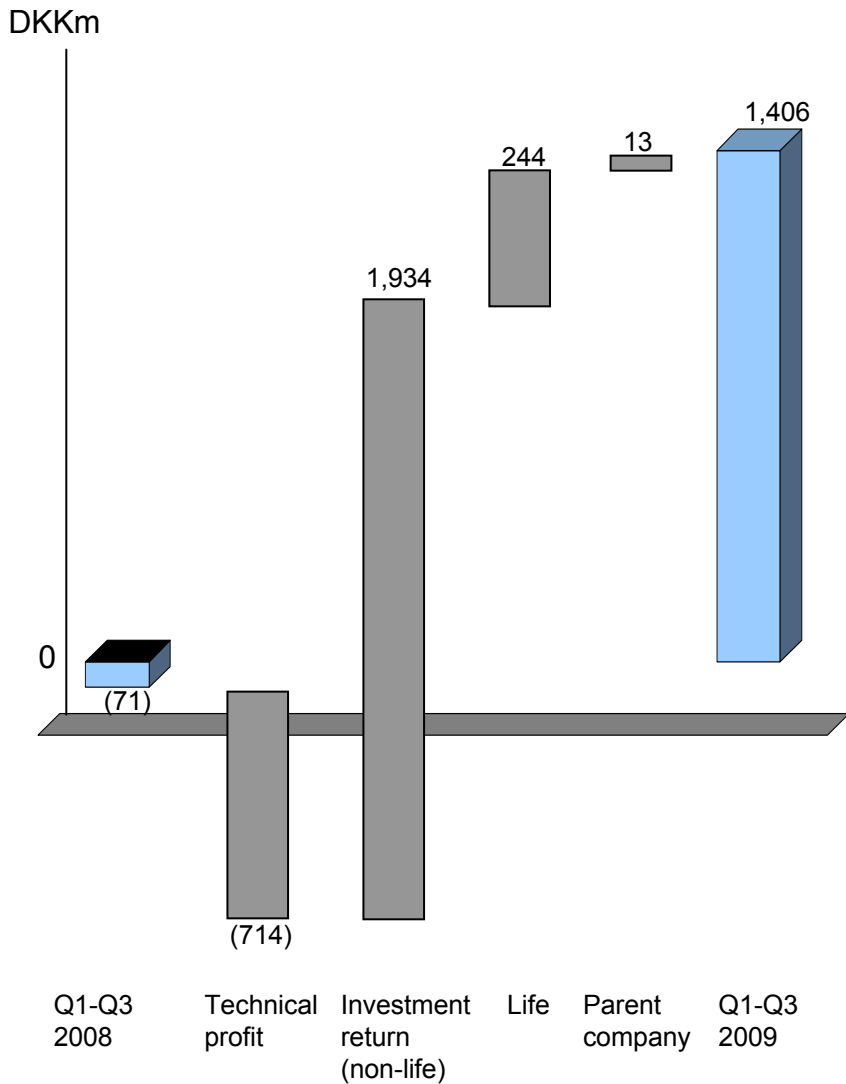
- Unchanged CR of between 92 and 93
- Increase in profit forecast model to DKK 1.2 - 1.3bn from DKK 1.1 - 1.2bn representing a post-tax ROE of 32.4%
- Increase in cash distribution for 2009 of DKK 100m to DKK 825m representing a buy-back yield of 7.7%

Profit forecast model assumptions for 2010

- Since the Q2 report, lower interest rates have had a 0.5 pp effect on the discounting of provisions for outstanding claims
- CR increased to 91 - 92 from 91 due to lower interest rates
- Premium growth of 2% - 3% in non-life

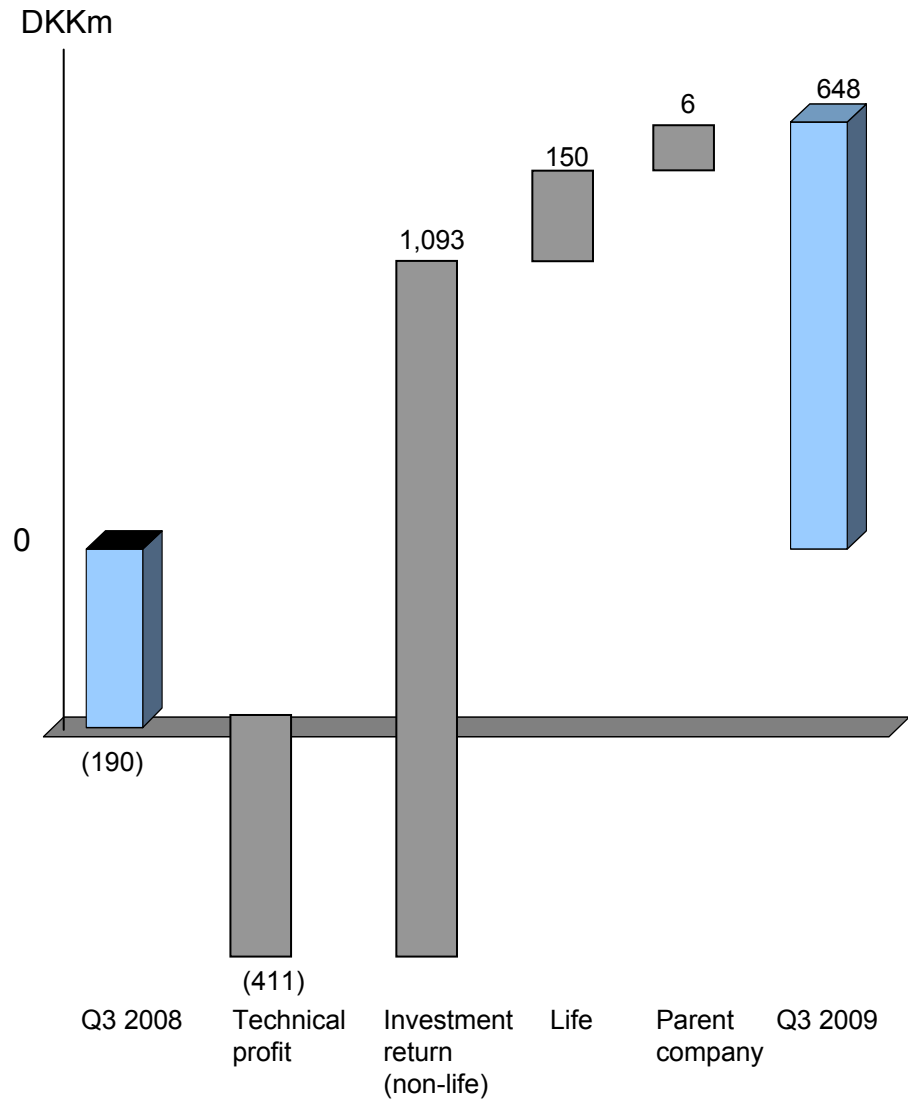
Trend in pre-tax result

Q1-Q3 2008 - Q1-Q3 2009



Trend in pre-tax result

Q1-Q3 2008 - Q1-Q3 2009

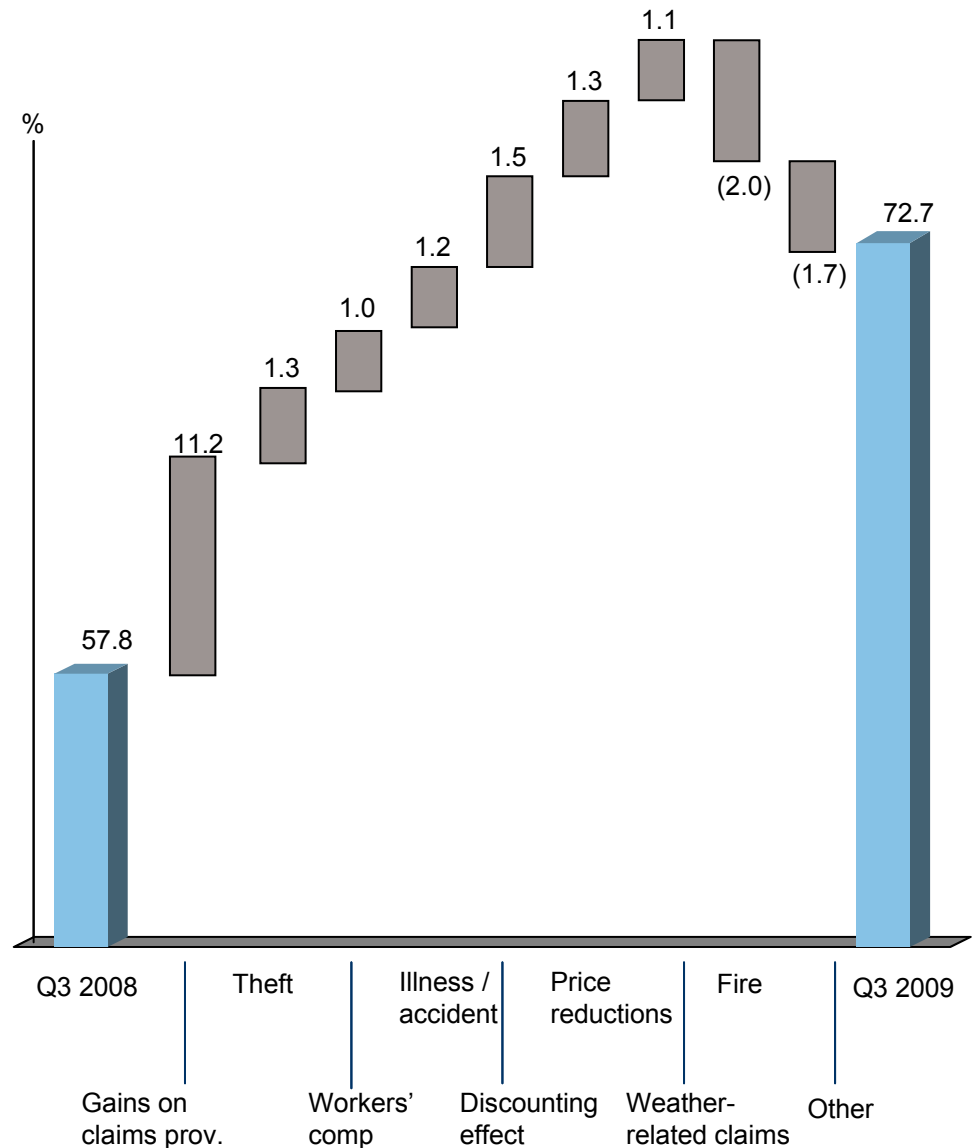
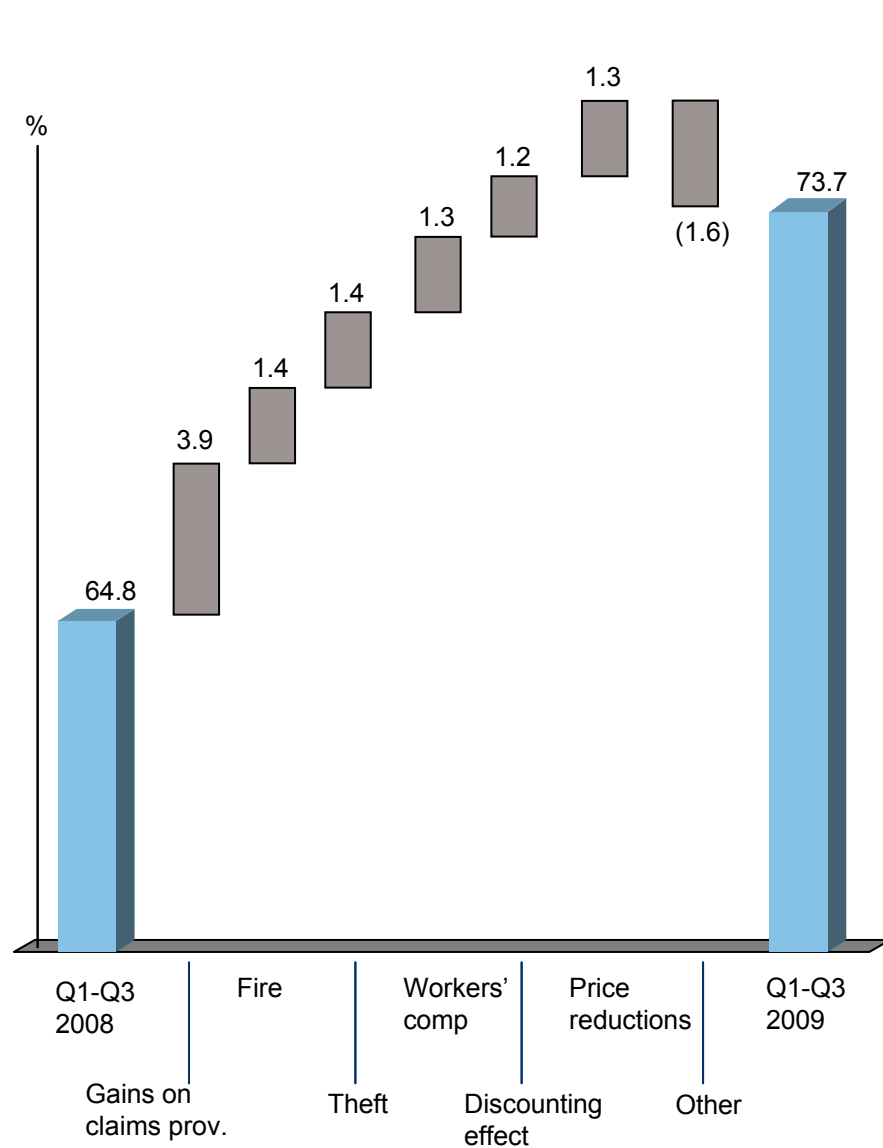


Trend in loss ratio

Q1-Q3 2008 – Q1-Q3 2009

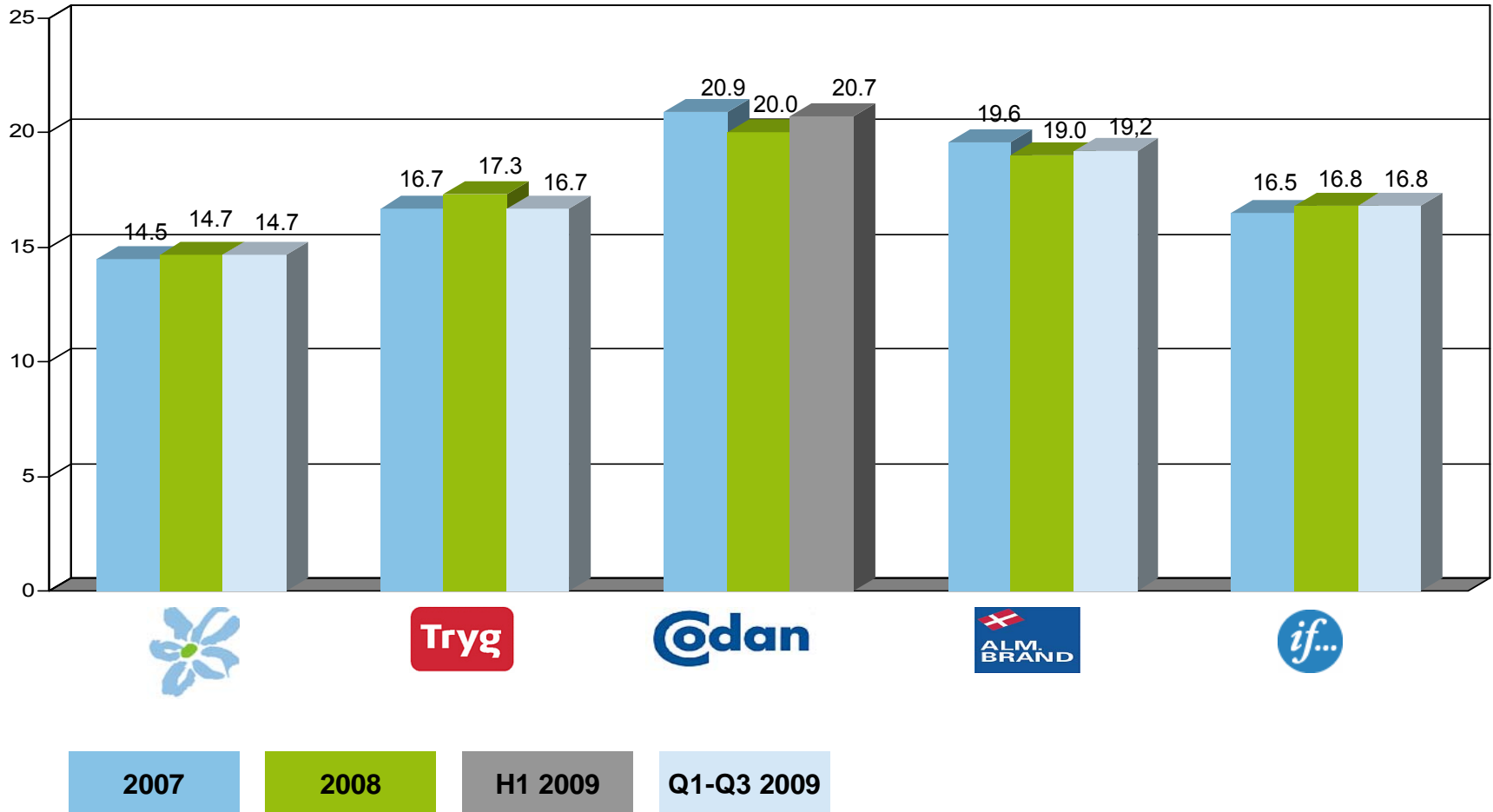
Trend in loss ratio

Q3 2008 – Q3 2009



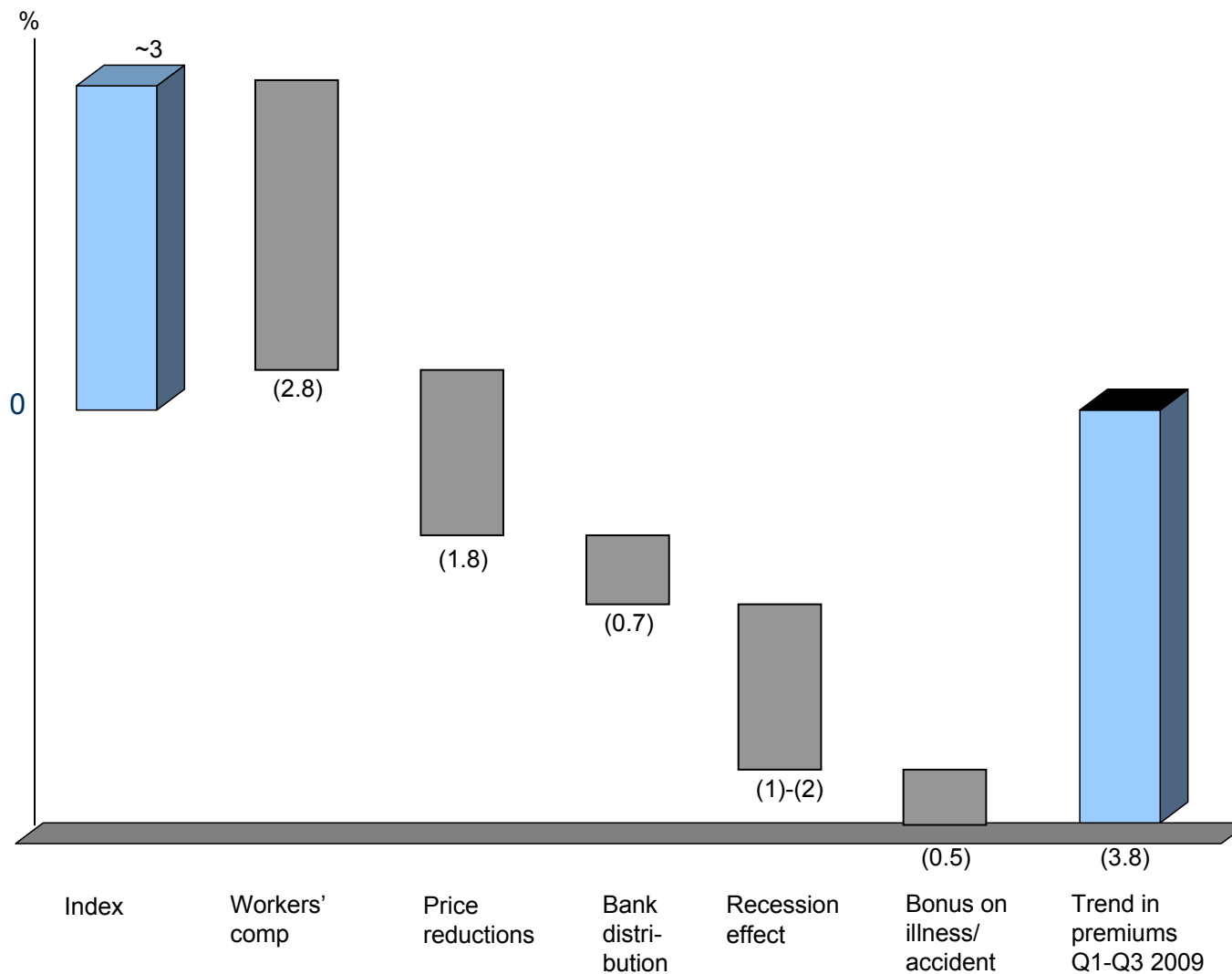
Comparison

- Expense ratio (group level)



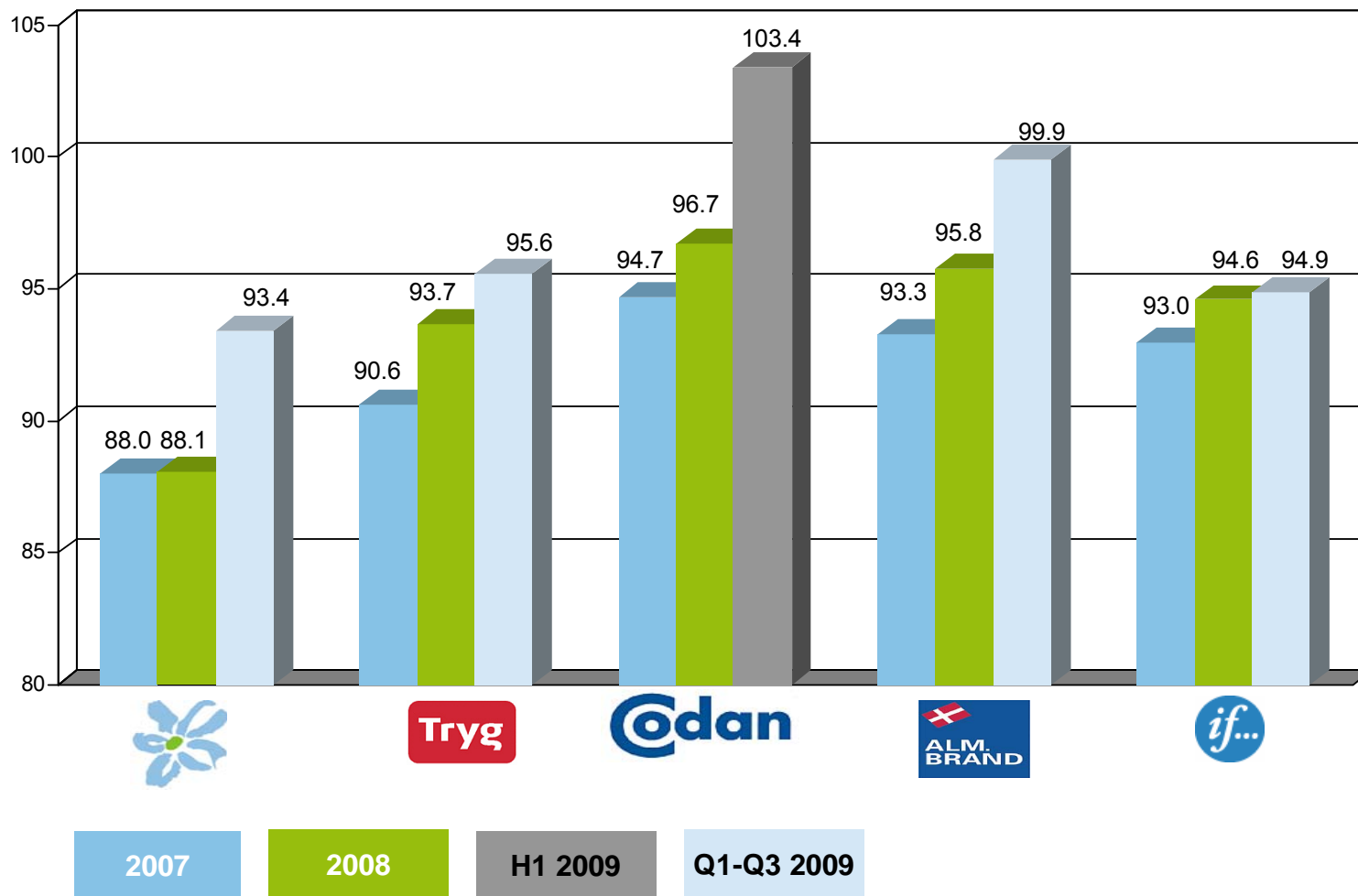
Trend in premiums

Q1-Q3 2008 – Q1-Q3 2009



Comparison

- combined ratio excl. gains on / strengthening of claims provisions
(group level)



Prospects in life insurance

- Reduction in loss participation scheme in Life I from 5% to 3%
- Overall 21.4% decline in premiums in Q1-Q3 2009.
 - Regular premiums increased 6.2%
 - Continued expected growth of 5% in regular premiums in 2009
- Both risk allowance (DKK 52m), shadow account balance (DKK 104m) and interest on the shadow account (DKK 9m) assumed to be booked in Life V in 2009
 - Part of risk allowance and shadow account (DKK 75m) booked in Q3
- Neither risk allowance nor shadow account assumed to be booked in Life I in 2009
 - Shadow account balance, DKK 117 at 30 September 2009, expected to be booked in 2010
- Co-operation with Nykredit and Sydbank expanded to include annuity products

Investment return

- Topdanmark Group excl. life insurance Q1-Q3 2009

	Portfolio		Return Q3		Return Q1-Q3	
	30 Sep DKKbn	DKKm	%	DKKm	%	
Danish equities	0.3	47	16.1	78	28.1	
Foreign equities	0.8	142	20.5	229	36.4	
Government and mortgage bonds	9.7	115	1.2	379	4.0	
Credit bonds	0.7	38	5.7	90	13.7	
CDOs	0.9	(4)	(0.5)	(39)	(4.1)	
Properties	1.3	23	1.8	59	4.7	
Assets rel. to I/A	1.5	27	1.9	66	4.7	
Money market etc.	4.1	52	1.1	176	3.5	
Interest-bear. debt	(2.7)	(19)	0.7	(108)	2.5	
	16.6	421	2.6	930	6.0	
Asset management		22		65		
Total		443		995		

Profit forecast model

- increased by DKK 100m for 2009

(DKKm)	2008	Forecast for 2009 14 Aug 2009			Forecast for 2009 13 Nov 2009		
Non-life insurance							
- Technical result	1,796	790	-	830	710	-	750
- Investment return after transfer to technical result etc.	(1,705)	420	-	460	620	-	660
Non-life insurance	91	1,210	-	1,290	1,330	-	1,410
Life insurance	(57)	260	-	280	270	-	290
Parent company etc.	(58)	(50)	-	(30)	(50)	-	(30)
Pre-tax profit / (loss)	(24)	1,420	-	1,540	1,550	-	1,670
Taxation	(165)	(320)	-	(340)	(350)	-	(370)
Profit / (loss) for the year	(189)	1,100	-	1,200	1,200	-	1,300

Representing a post-tax ROE of 32.4%

Buy-back yield

- 7.7% for 2009

DKK 100m increase in cash distribution to DKK 825m in 2009

- Represents a buy-back yield of 7.7%

To date in 2009, DKK 355m shares bought back

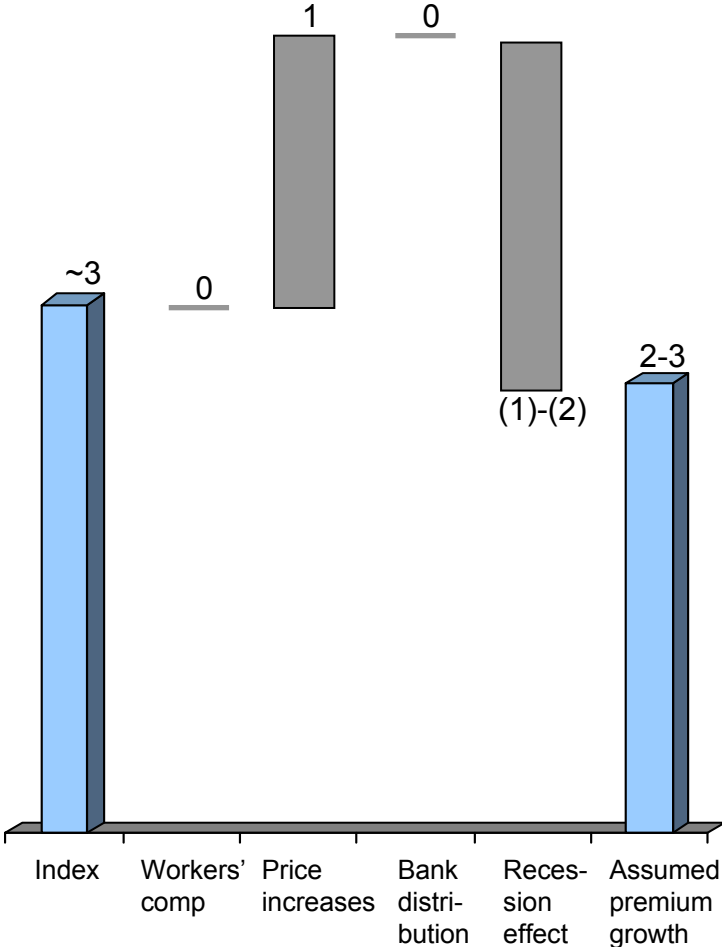
Distribution effected with a just over three month time lag of earnings ~ DKK 250m

Therefore remaining share buy-back of DKK 220m for the calendar year. Any proportion of this amount which is not acquired in 2009 to be transferred to 2010 to supplement the ordinary share-buy back programme

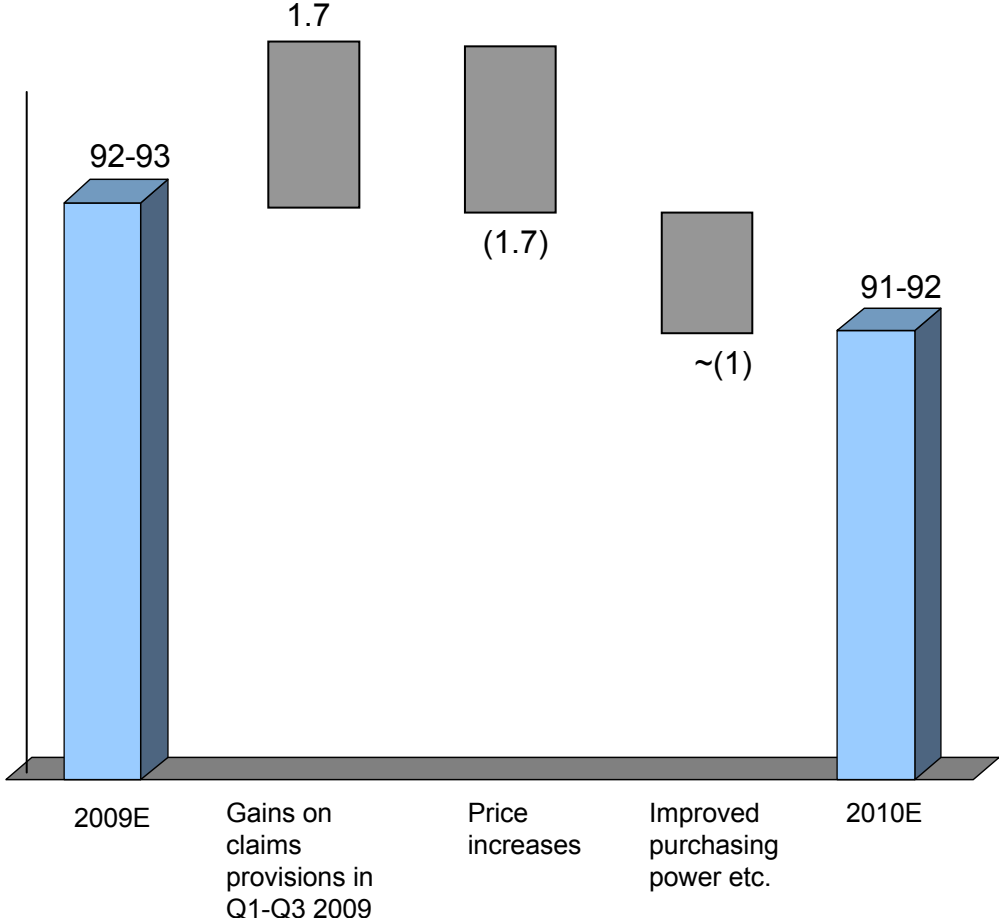
Since 1998 Topdanmark has bought back 59% of the outstanding shares

Assumptions for 2010 forecast

Premium growth as a percentage.





CR excl. any gains on claims provisions



www.topdanmark.dk.com


- a source of up-to-date information on Topdanmark

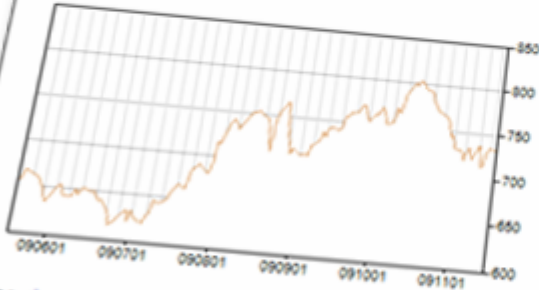
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IR activities
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Basic data
Kursdata
Seneste +/-
731.00 -0.41% 
2009-11-16 10:51:27



See [share price movements](#) as compared with the OMXC20-index or benchmark Topdanmark's shares against other insurance companies.

H1 2009 Half Year Report


- Post-tax result increased from DKK 243m in Q2 2008 to DKK 555m this quarter
- The post-tax profit forecast model for 2009 has been upgraded from DKK 900 - 1,000m to DKK 1,100 - 1,200m as calculated on 14 August 2009, representing a return on shareholders' equity of 30%
- The cash distribution for 2009 has been increased from DKK 525m to DKK 725m representing a yield of 6.7%.

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Topdanmark’s statements relating to the future are solely based on information known at the time of the preparation of the Q1-Q3 2009 report.

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