

# Topdanmark 2006 Results

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## Highlights

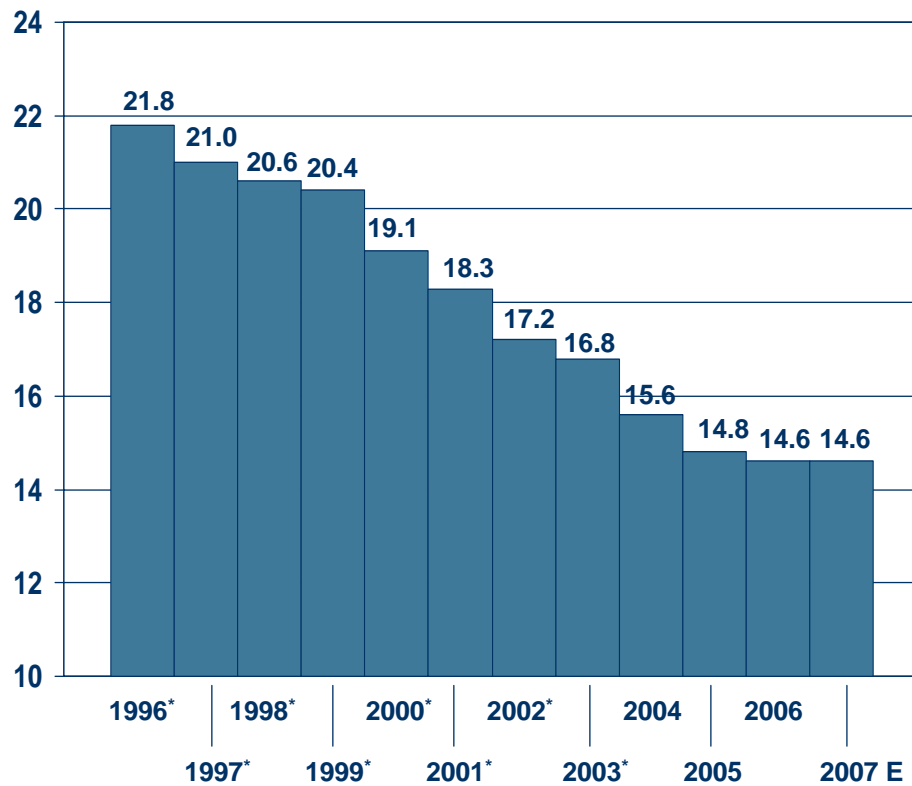
### 2006:

- **Post- tax profit increased 45.9% to DKK 1,692m**
- **Profit per share increased 53.0% to DKK 88.3**
- **4.7% premium growth in non-life and 23.7% in life**
- **39.4% post-tax ROE**
- **Expense ratio declined 0.2 pp to 14.6**
- **CR declined from 90.9 to 86.0**

### Prospects for 2007

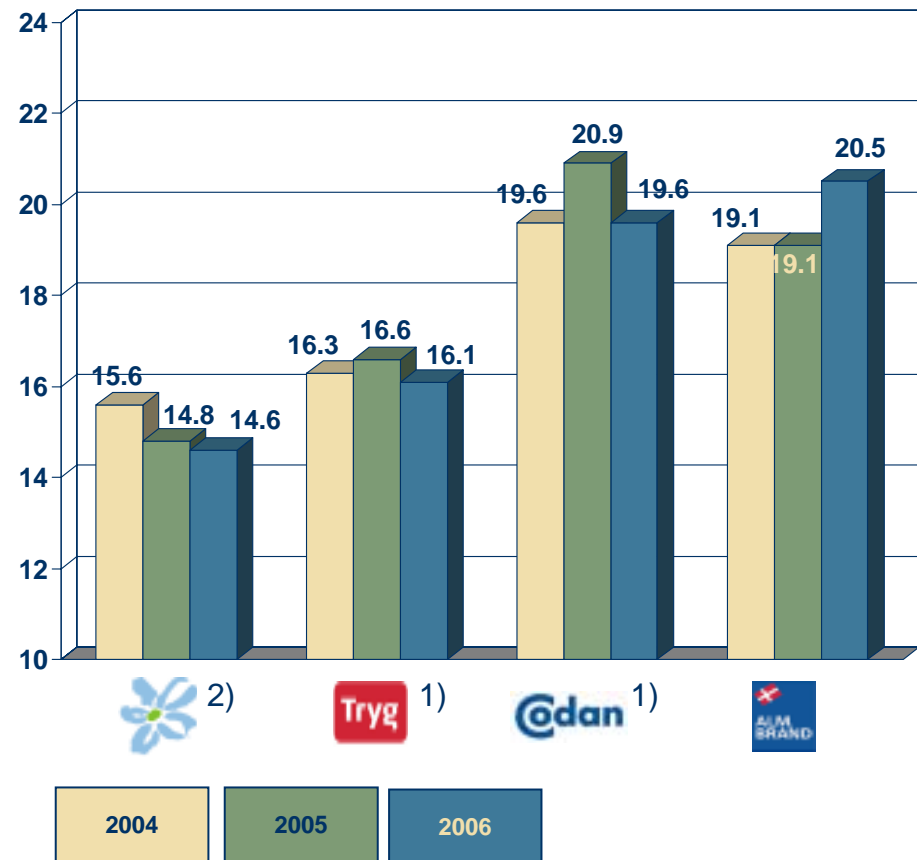
- **Expected CR unchanged at just over 88**
- **Expected post-tax profit of DKK 1,200 - 1,300m**
- **Expected share buy-back of around DKK 1,700m**

### Declining expense ratio in Topdanmark



\*Reduced by estimated IFRS effect 1996 - 2003

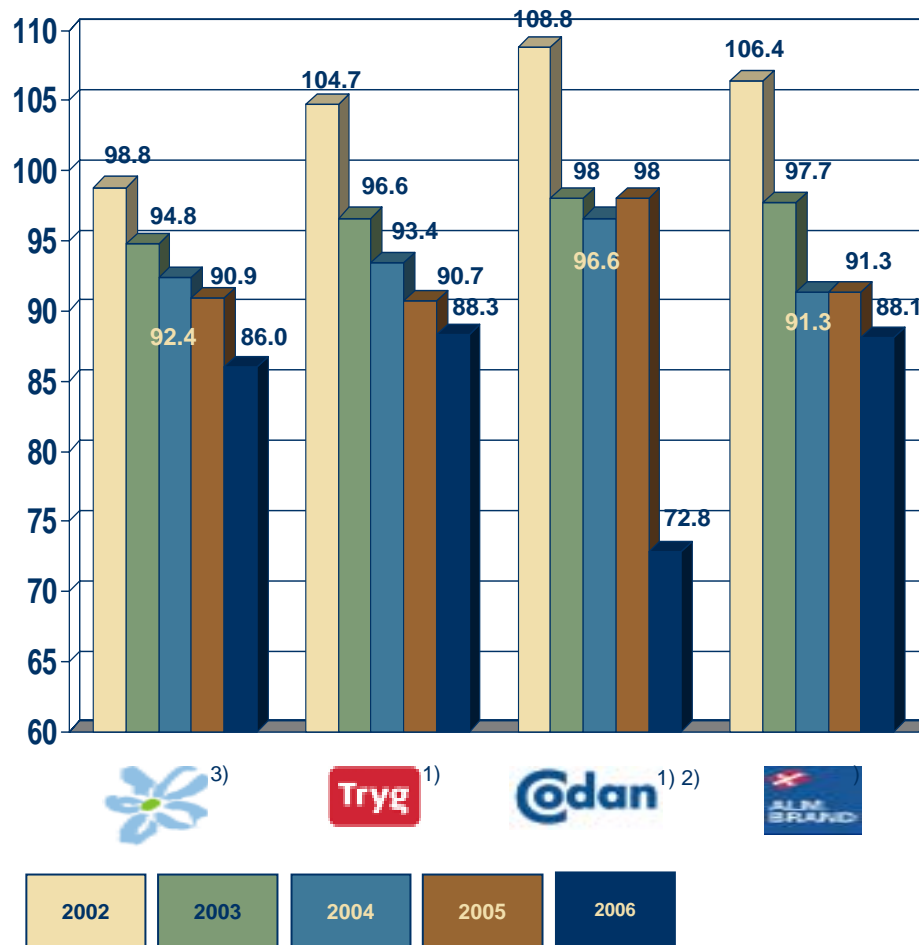
### Topdanmark has the lowest expense ratio among the major Danish insurance companies



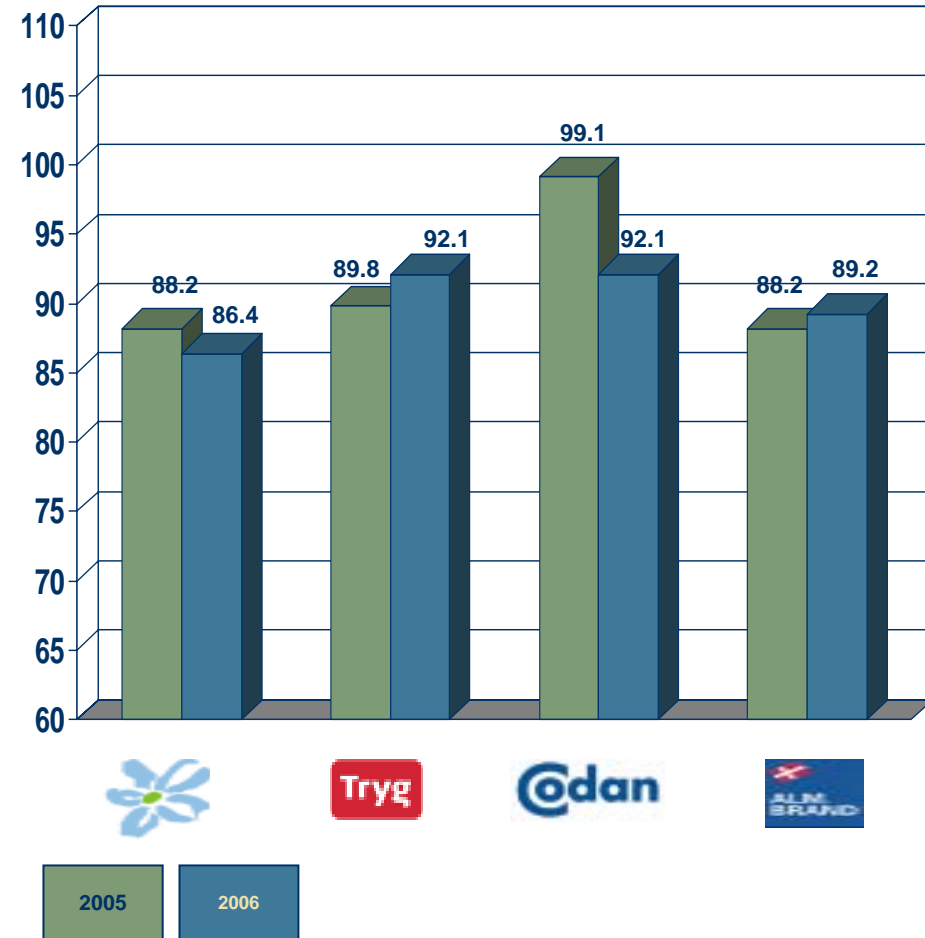
1) Rent from owner-occupied properties not included in expense ratio

2) Excl. rent from owner-occupied properties, the expense ratio would be 0.4 pp lower

Comparison of CR (Danish insurance)

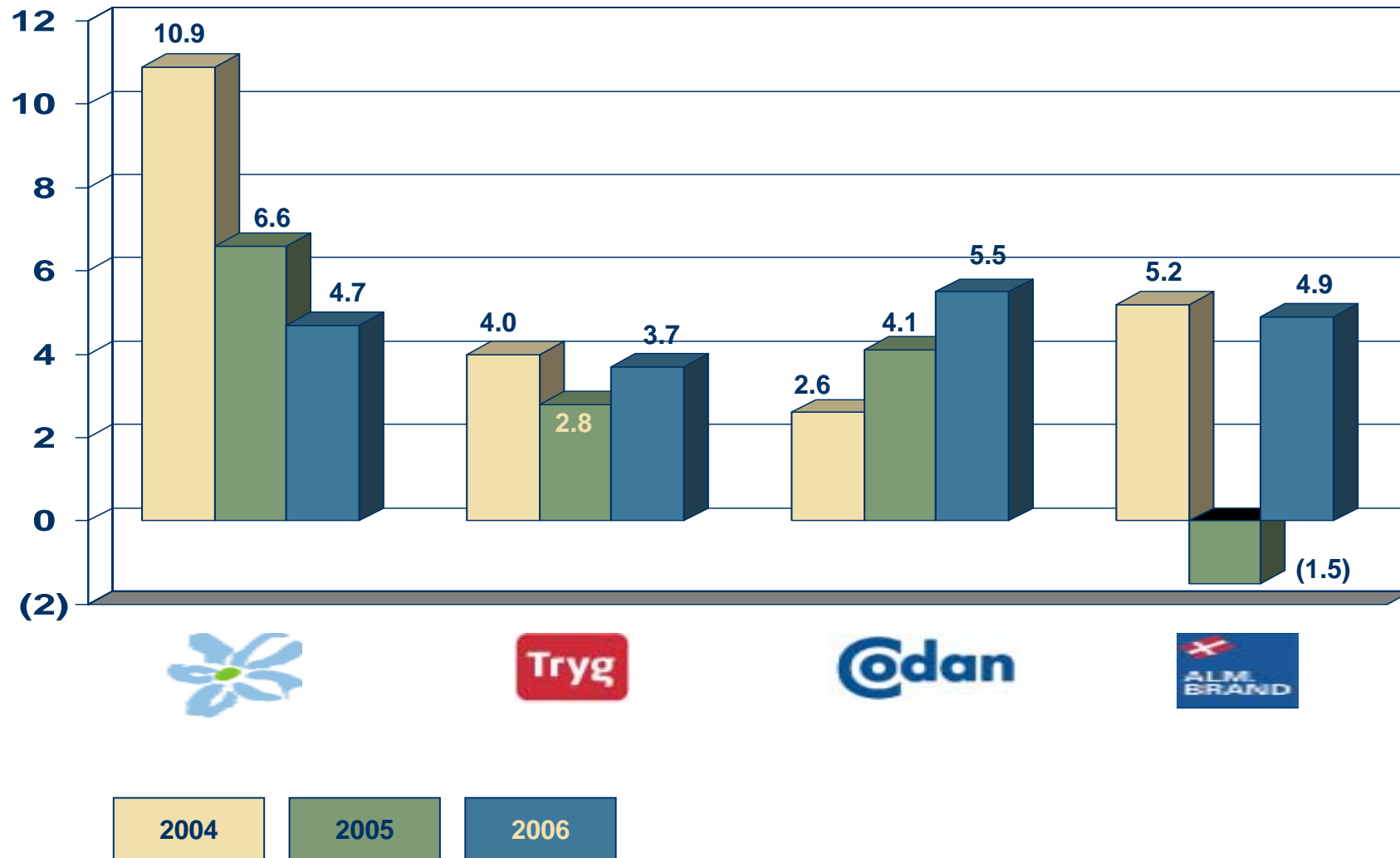


CR for the year (Danish insurance)  
(After eliminating the effect of storms and the release or strengthening of provisions)

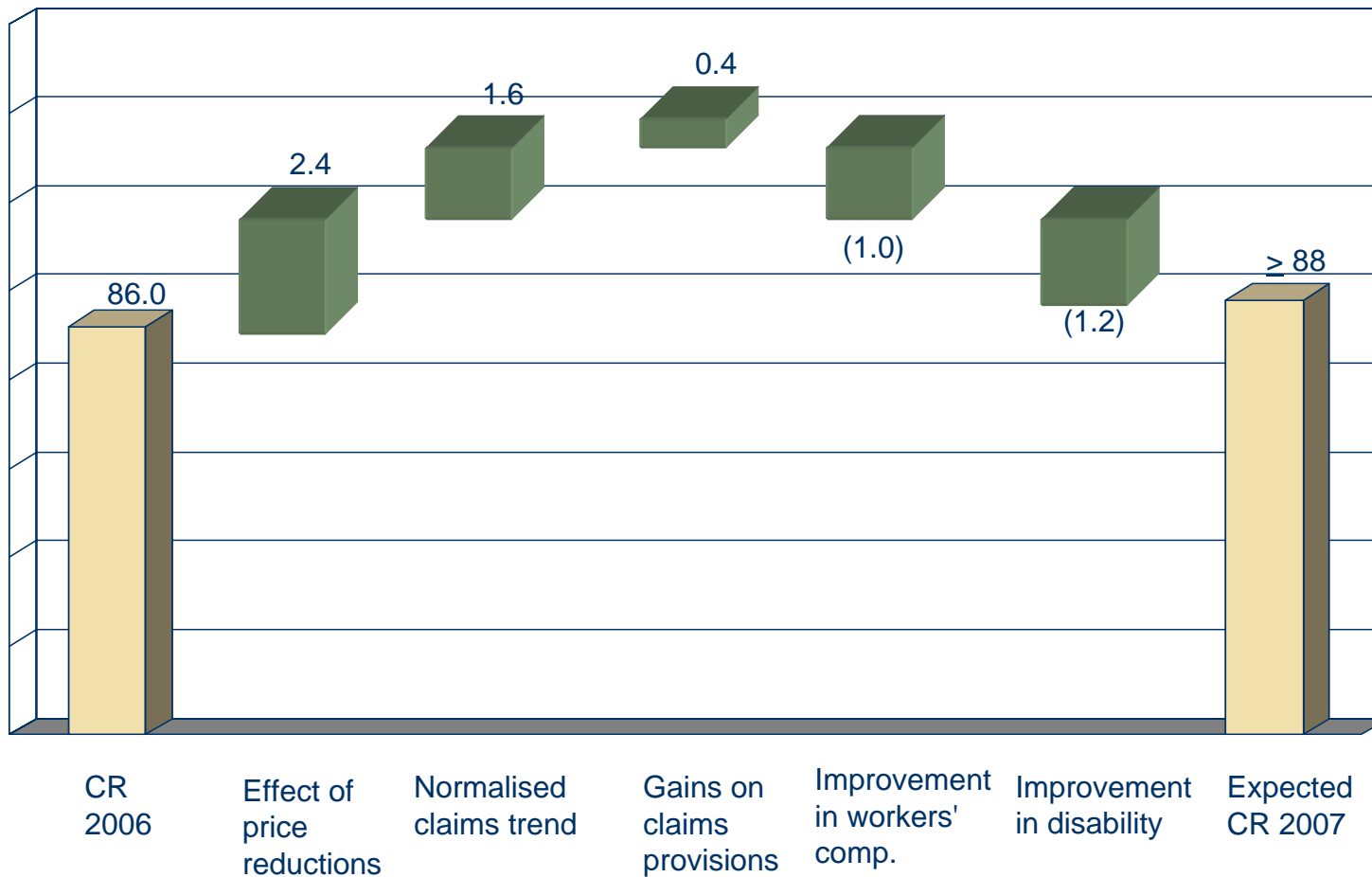


- 1) Rent from owner-occupied properties not included in expense and loss ratios
- 2) Excl. discounting of claims provisions
- 3) Excl. rent from owner-occupied properties, the CR would be 0.6 pp lower

Comparison of premium growth (Danish insurance)

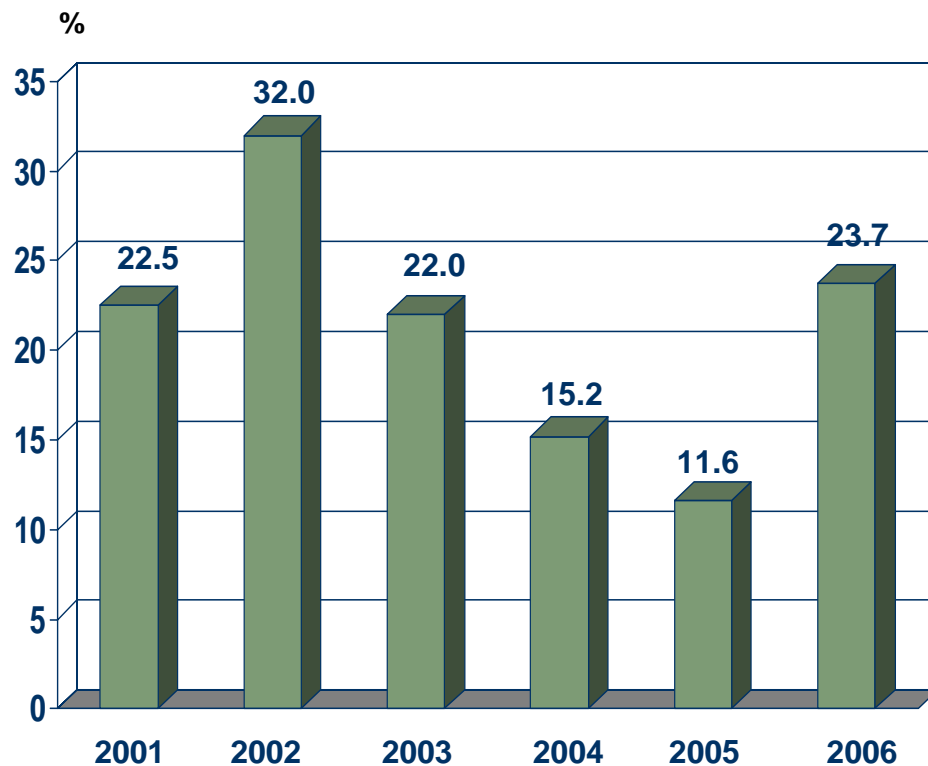


## Continued low CR expected

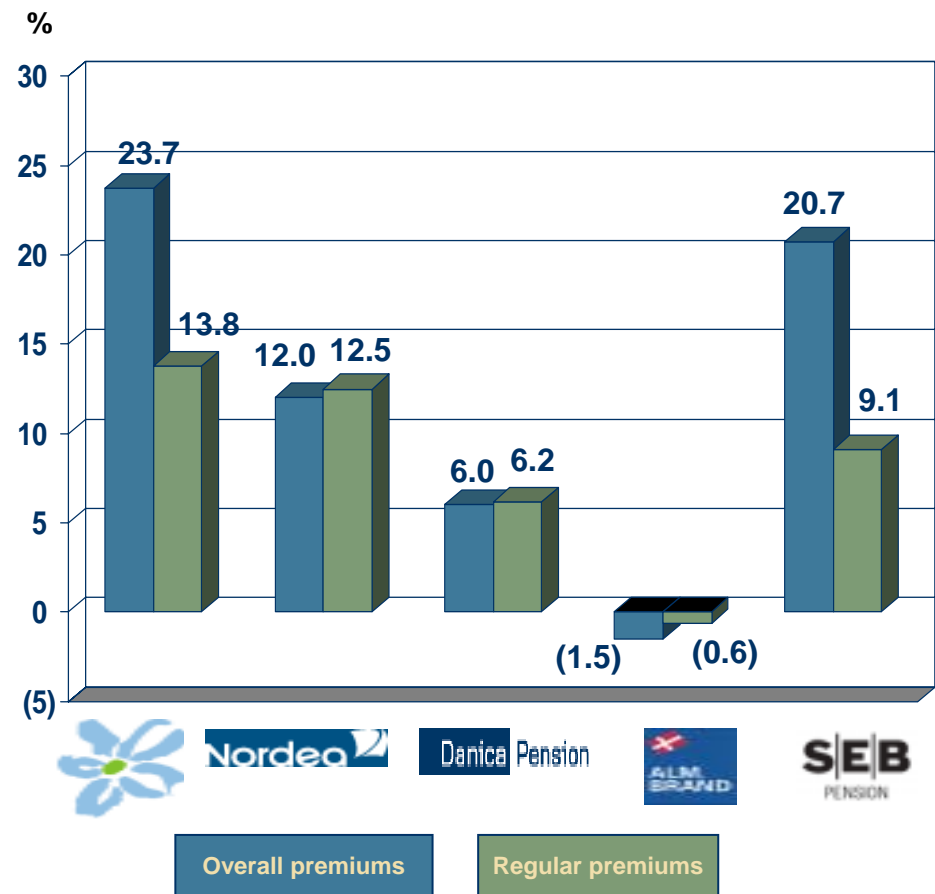


# Continued high premium growth

21% CAGR in gross premiums



Comparison of premium growth 2006



## Prospects in life insurance

- **Expected market growth of 8 - 10% in 2007**
  - **Competition focussing on moving existing pension schemes**
- **Growth in regular premiums in Topdanmark expected to be 8 - 10% in 2007**
- **Profile Pension expected to account for an increasing share of new business**
- **No growth in single premiums should be assumed in 2007 following a 51.0% growth in 2006**
- **Bonus ratio of 12.2% in Life I; one of the highest in the market**
- **5.5% rate of interest on policyholders' savings in Life I in 2007**
  - **Most other market players: 4.5%**
- **Topdanmark has Denmark's most satisfied life customers**



## Profit forecast for 2007

### Profit forecast for 2007

(DKKm)	2005	2006	2007
Non-life insurance	1,309	2,047	1,540 - 1,620
Life insurance	107	118	120 - 140
Parent company etc.	(12)	58	(30) - (10)
Pre-tax profit	1,404	2,223	1,630 - 1,750
Taxation	(244)	(531)	(430) - (450)
Profit for the year (parent company)	1,160	1,692	1,200 - 1,300

**Forecast assumptions for 2007 are based on equity prices on 9 March 2007**

## Share buy-back in 2007 corresponds to a yield of 10.1%

- **Transferred from 2006**
  - Announced in Q1 - Q3 report DKK 1,650m
  - 2006 result better than expected in Q1 - Q3 report DKK 200m
  - Actual buy-back in 2006 DKK 1,850m
  - DKK 1,396m
  - Approx. DKK 450m
  
- **Expected ordinary buy-back in 2007** DKK 1,250m
  
- **Expected overall buy-back in 2007** DKK 1,700m
  
- **Expected buy-back in 2007 corresponds to a yield of 10.1%**
  
- **DKK 346m shares already bought back in rest of year**
  
- **Remaining buy-back of DKK 1,350m in 2007**
  
- **Since 1998 Topdanmark has bought back 54.3% of the outstanding shares**
  - **Average price per share: DKK 255**

**[www.topdanmark.com](http://www.topdanmark.com)**

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

## Disclaimer

**This presentation includes statements relating to the future. Such statements are uncertain and involve both general and specific risks.**

**Many factors may cause a significant deviation from the forecasts set out in the presentation. Such factors could be, for example, cyclical movements, changes in the financial markets, the financial effect of non-anticipated events like acts of terror or exceptional weather conditions, changes in Danish and EU rules, competitive factors in the insurance industry and trend in reinsurance market. Also see “Risk factors” in the 2006 Annual Report.**

**The above description of potential risks is not exhaustive. Investors and others, who may base decisions relating to Topdanmark on statements relating to the future, should make their own careful considerations on these and other factors of uncertainty.**

**Topdanmark’s statements relating to the future are solely based on information known at the time of the preparation of the 2006 Annual Report.**

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