

May 2011

Topdanmark's Q1 2011 results

Highlights Q1 2011

- Profit increased to DKK 425m (Q1 2010: DKK 268m)
- Higher than assumed profit due to higher than expected investment return

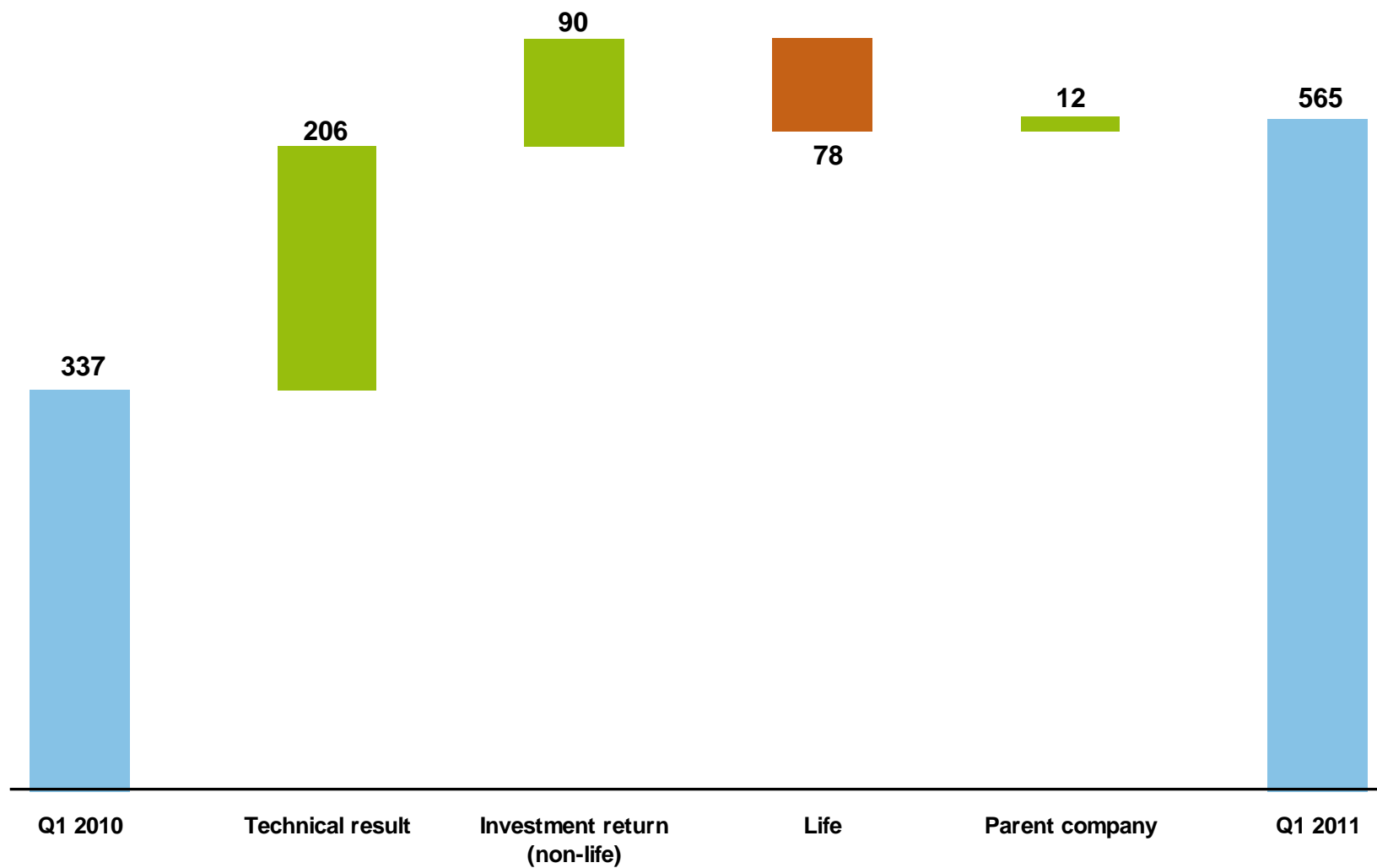
- Non-life premiums increased 2.8%
- Unchanged assumed premium growth of 1-2% for 2011

- CR improved to 93.0 (Q1 2010: 102.8)
- Excluding run-off CR fell to 94.0 (Q1 2010: 105.8)

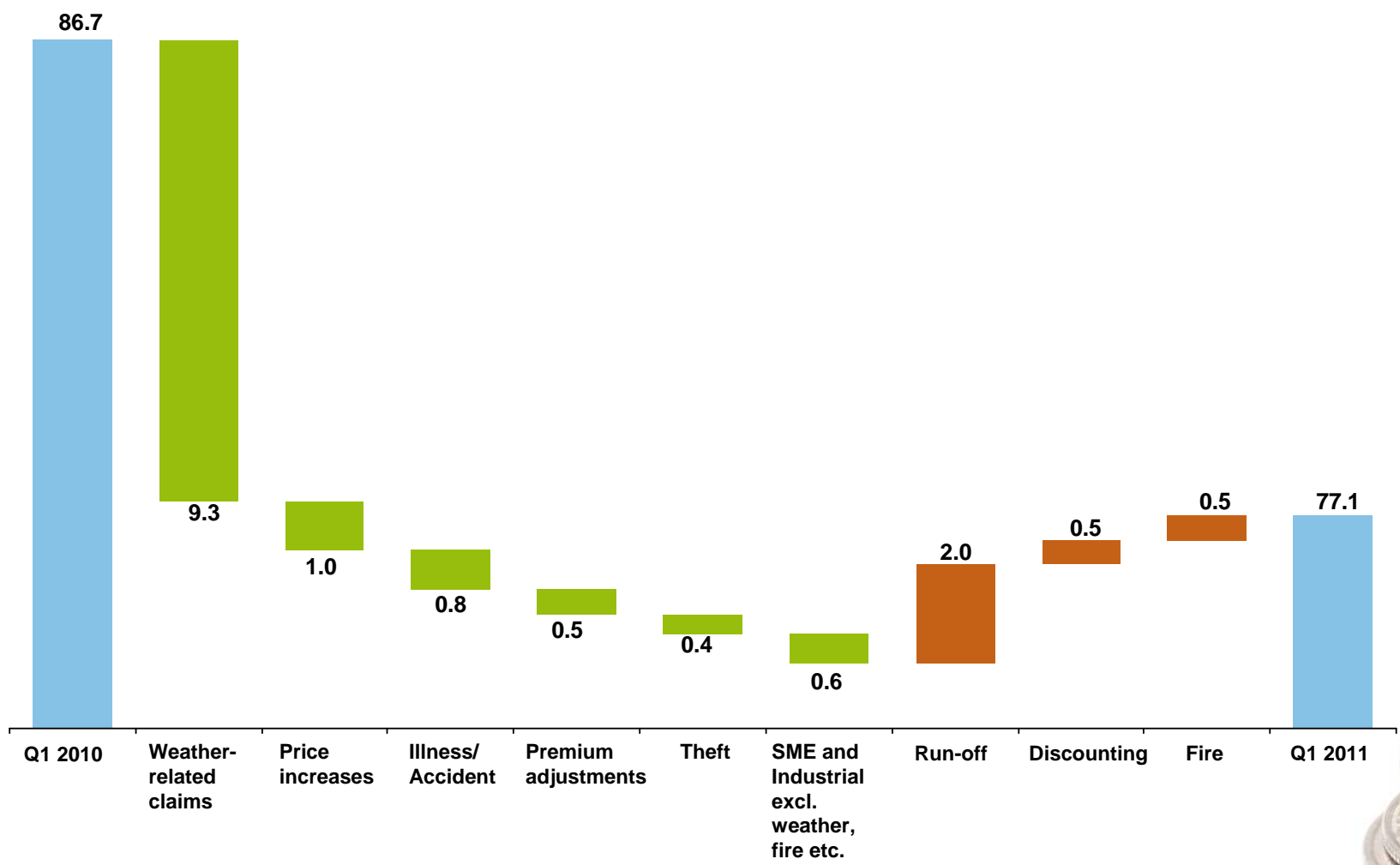
- Unchanged assumed CR of 91 for 2011, excluding run-off in Q2-Q4
- Profit forecast model for 2011 upgraded by DKK 100m to DKK 1.2-1.3bn

- Buy-back programme for 2011 increased by DKK 100m to DKK 1.4bn (buy-back yield of 11.2 %)
 - Leaving a balance of DKK 773m on the 2011 programme

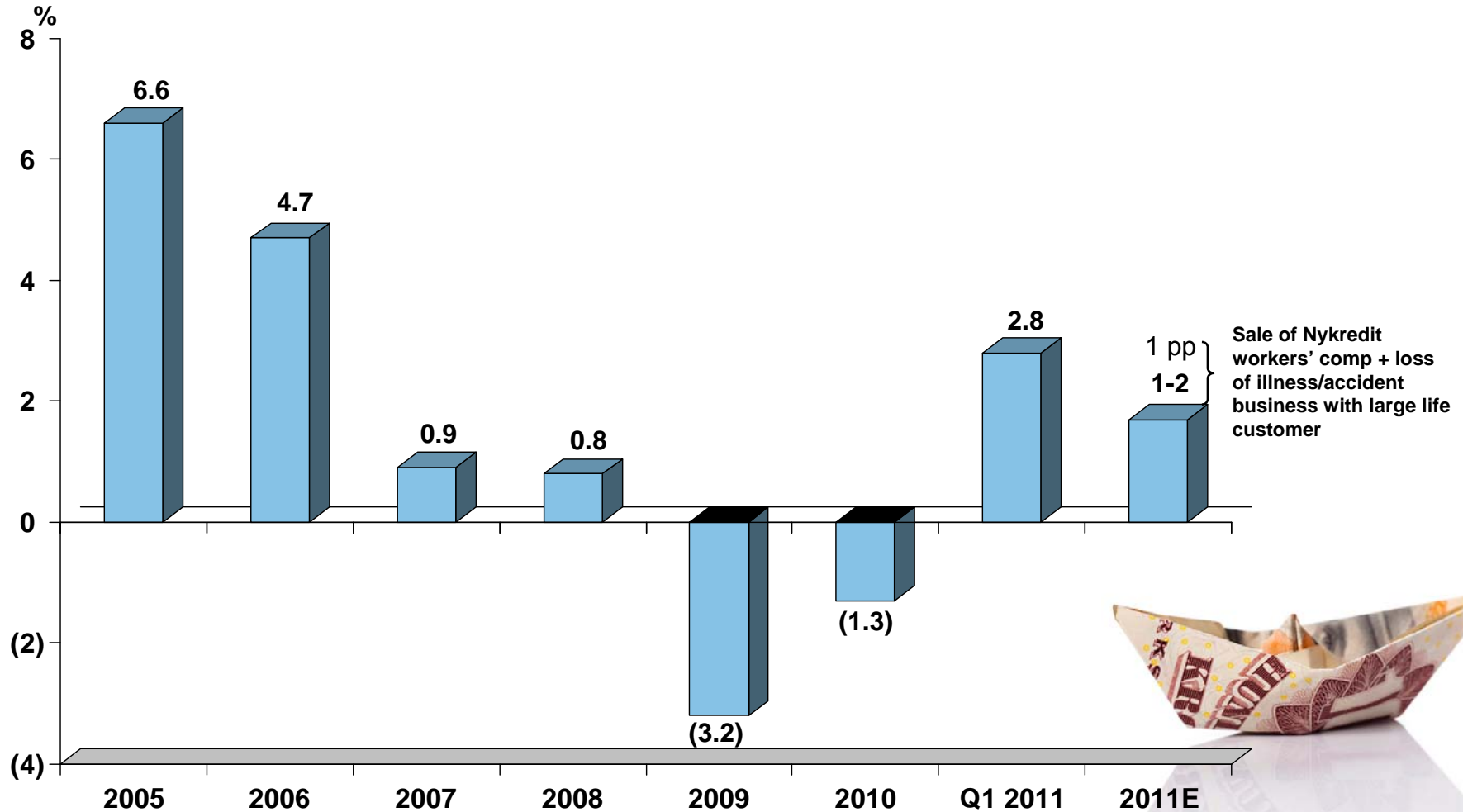
Trend in pre-tax results Q1 2010-Q1 2011



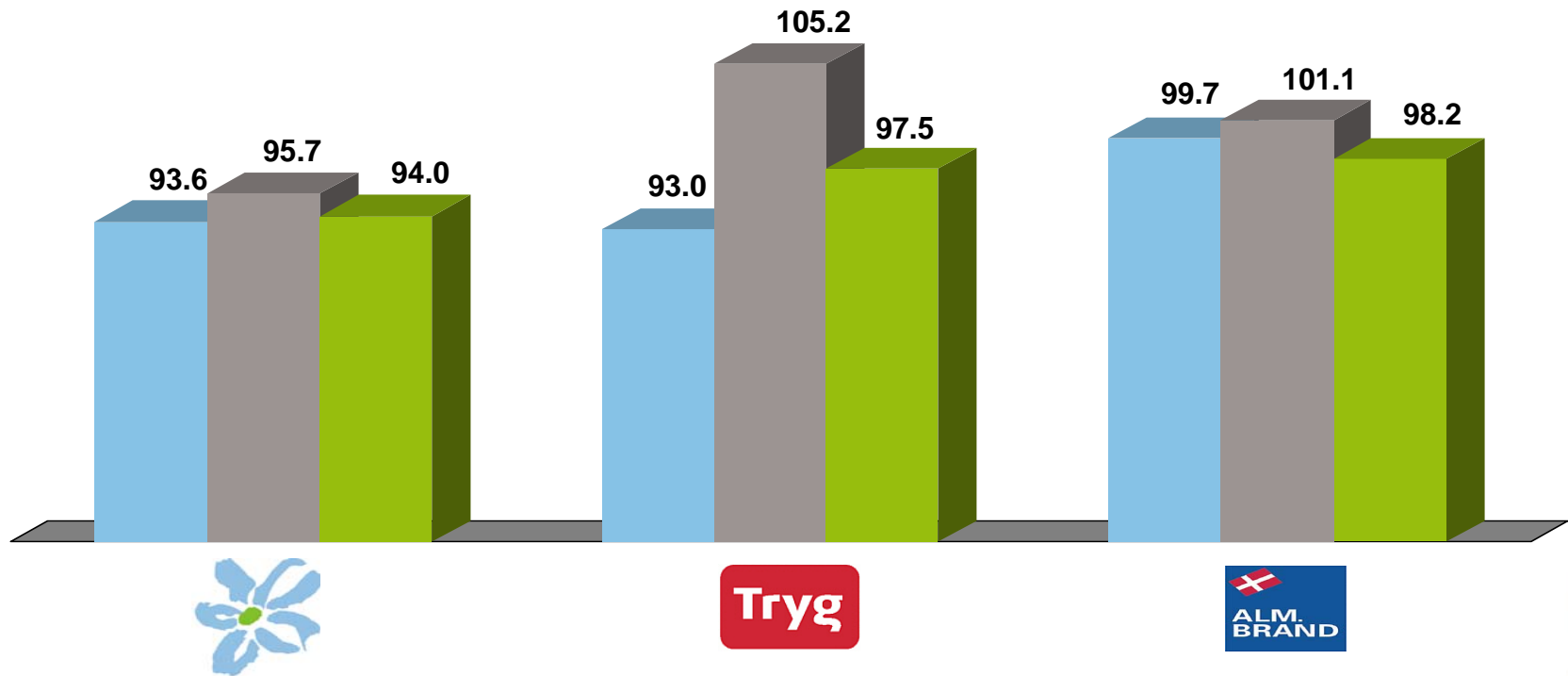
Claims trend Q1 2010-Q1 2011



Premium growth in non-life



Comparison – combined ratio excl. run-off (Danish insurance))



2009 2010 Q1 2011



Results – Life insurance

(DKKm)	Q1 2010			Q1 2011		
	Life I	Life V	Group	Life I	Life V	Group
Investment return	14	20	34	22	12	34
Risk allowance	21	13	34	26	16	42
Transferred, shadow account	60		60	(15)	(3)	(18)
Other			16			8
Profit on life insurance			144			66
Shadow account end of period	79	0	79	15	3	18

Prospects for life insurance 2011

- Continued expectation of zero to 5% decline in regular premiums
 - Loss of large customer in Q1 2011
- Portfolios of Life I and Life V split into contribution groups
 - Interest rate, risk and cost groups
- Size of risk allowance increased from 0.5% to 0.6% in Life I and from 0.65% to 0.75% in Life V
 - The split into contribution groups increases risk of proportions of profit not being recognised as income but transferred to shadow account
- Most of the DKK 18m on the shadow account expected to be recognised as income in 2011
- However, continued assumption of DKK 25m of potential profit not being recognised as income in 2011
 - Risk allowance will be considered on the finalisation of the 2011 Annual Report
 - Sensitive to fluctuations in investment return – primarily interest rates

Investment return

- for Topdanmark Group excl. life insurance Q1 2011

	Portfolio 31 March		Return Q1 2010		Return Q1 2011	
	2010 (DKKbn)	2011	(DKKbn)	%	(DKKbn)	%
Danish equities	0.4	0.4	26	7.7	8	2.0
Foreign equities	0.8	0.8	41	4.7	49	5.7
Government and mortgage bonds	11.3	12.5	150	1.4	125	1.0
Credit bonds	0.8	0.8	35	4.9	24	3.3
CDOs	0.7	0.8	29	3.7	120	17.4
Properties	1.3	1.3	18	1.4	28	2.2
Assets relating to illness / accident	1.6	1.8	31	2.1	42	2.6
Money market etc.	4.1	2.5	15	0.4	9	0.5
Interest-bearing debt	(2.7)	(2.9)	(11)	(0.4)	(13)	(0.5)
	18.3	18.0	334	2.0	393	2.3
Asset management			9		10	
Total investment return			343		403	
Transferred return technical provisions						
Discounting			(85)		(79)	
Technical interest			(27)		(24)	

The exposure in foreign equities and credit bonds have been adjusted by use of derivatives. The return percentages are calculated as the ratio between the return on financial instruments and the size of the exposure of the underlying asset. The return on government and mortgage bonds and assets related to I/A (illness/accident) includes revaluations of claims provisions.

Profit forecast model for 2011

(DKKm)	2010	Forecast for 2011		Forecast for 2011	
		25 February 2011		13 May 2011	
Non-life insurance					
- Technical result	626	820	- 870	810	- 860
- Investment return after transfer to technical result etc.	465	320	- 380	470	- 530
Profit on non-life insurance	1,092	1,140	- 1,250	1,280	- 1,390
Life insurance	384	280	- 310	280	- 310
Parent company etc.	31	10	- 20	20	- 30
Pre-tax profit	1,506	1,430	- 1,580	1,580	- 1,730
Taxation	(338)	(330)	- (380)	(380)	- (430)
Profit for the year	1,168	1,100	- 1,200	1,200	- 1,300

Representing a profit per share of DKK 92

Buy-back for 2011

– increased by DKK 100m to DKK 1.4bn

- Buy-back for 2011 increased by DKK 100m to DKK 1.4bn
 - Buy-back yield of 11.2%
- To date in 2011 own shares of DKK 627m bought back
- Balance remaining of the 2011 programme: DKK 773m
- Since 1998 Topdanmark has cancelled 64.1% of outstanding shares
 - Average price per share: DKK 358

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 and assumptions 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 the trend in reinsurance market. Also see www.topdanmark.com → [Risk management](#).

The above description of risk factors 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.

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