

August 2011

# Topdanmarks H1 2011 results

# Highlights

## H1 2011

- Post-tax profit of DKK 726m (H1 2010: DKK 362m)
- CR of 89.8 (H1 2010: 95.3)
- Growth in premiums: 1.5% in non-life and 4.4% decline in life

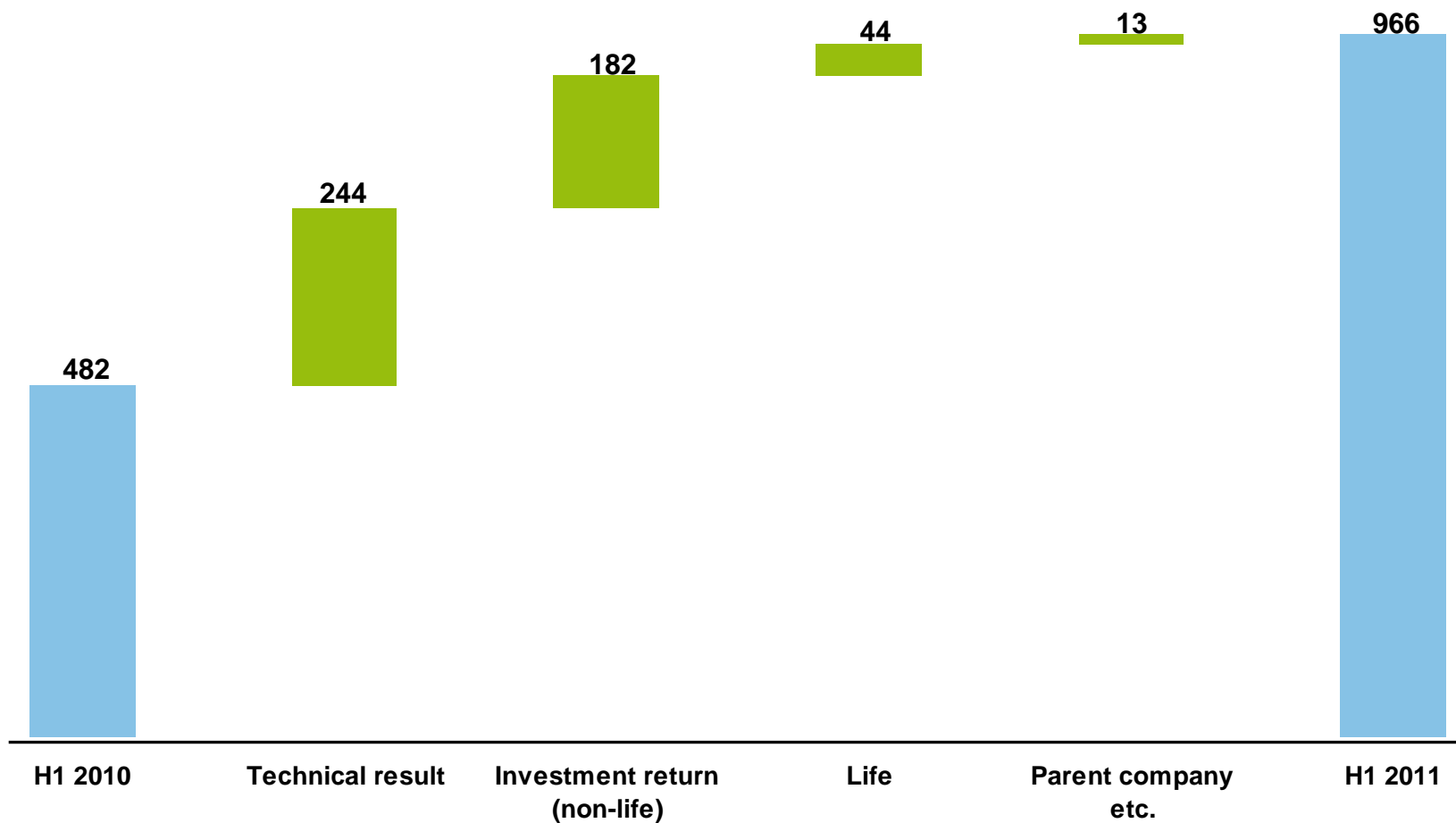
## Q2 2011

- Post-tax profit of DKK 301m (Q2 2010: DKK 94m)
- CR of 86.6 (Q2 2010: 87.9)

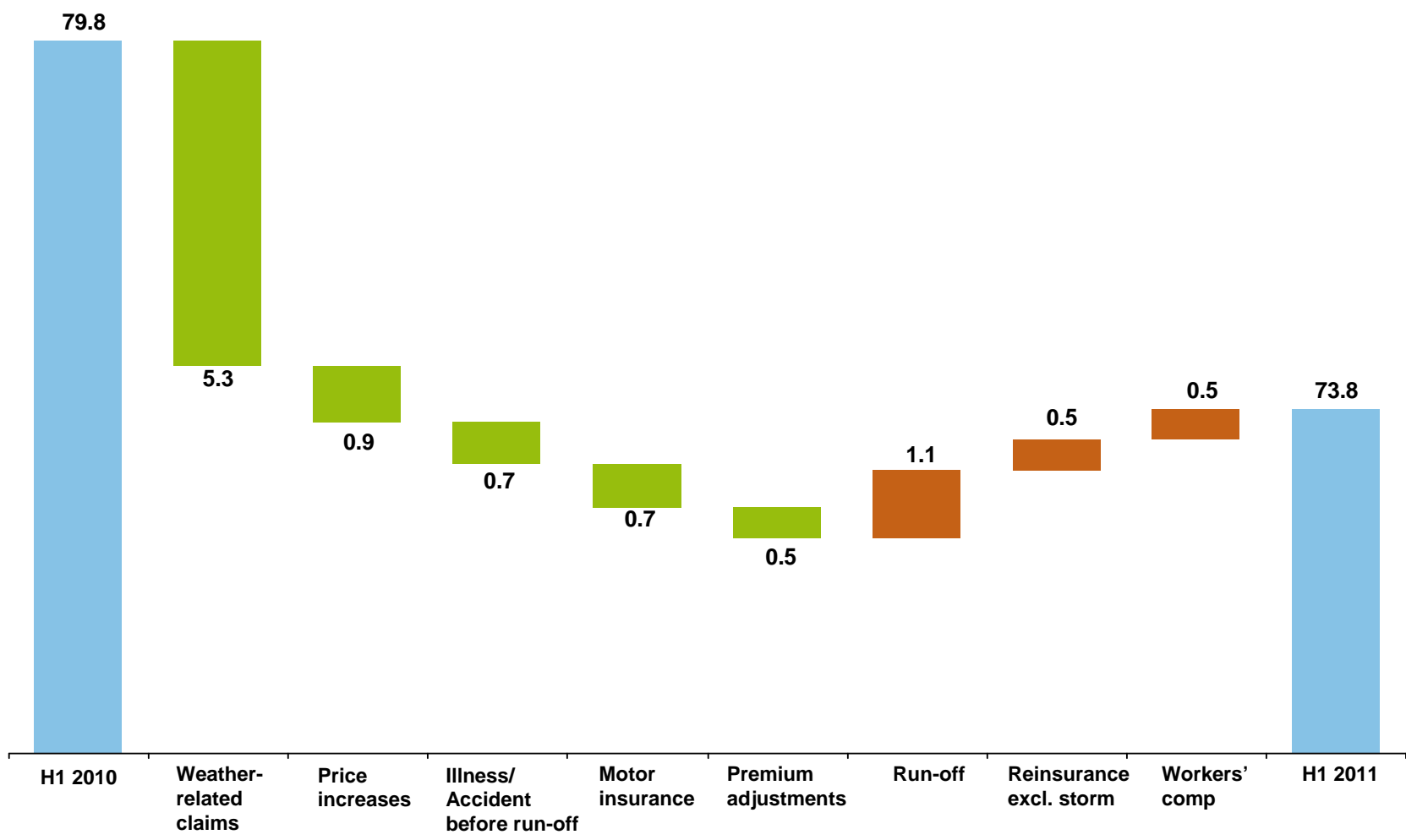
- The assumed CR for the full year 2011 has been increased from around 91 to 91-92 due to cloudburst claims and lower interest rates, excluding any run-off in H2 2011
- Profit forecast model for 2011 has been downgraded by DKK 250m to DKK 950-1,050m

- Buy-back programme reduced by DKK 200m to DKK 1.2bn (buy-back yield of 9.8%)
  - Leaving a balance of DKK 323m on the 2011 programme

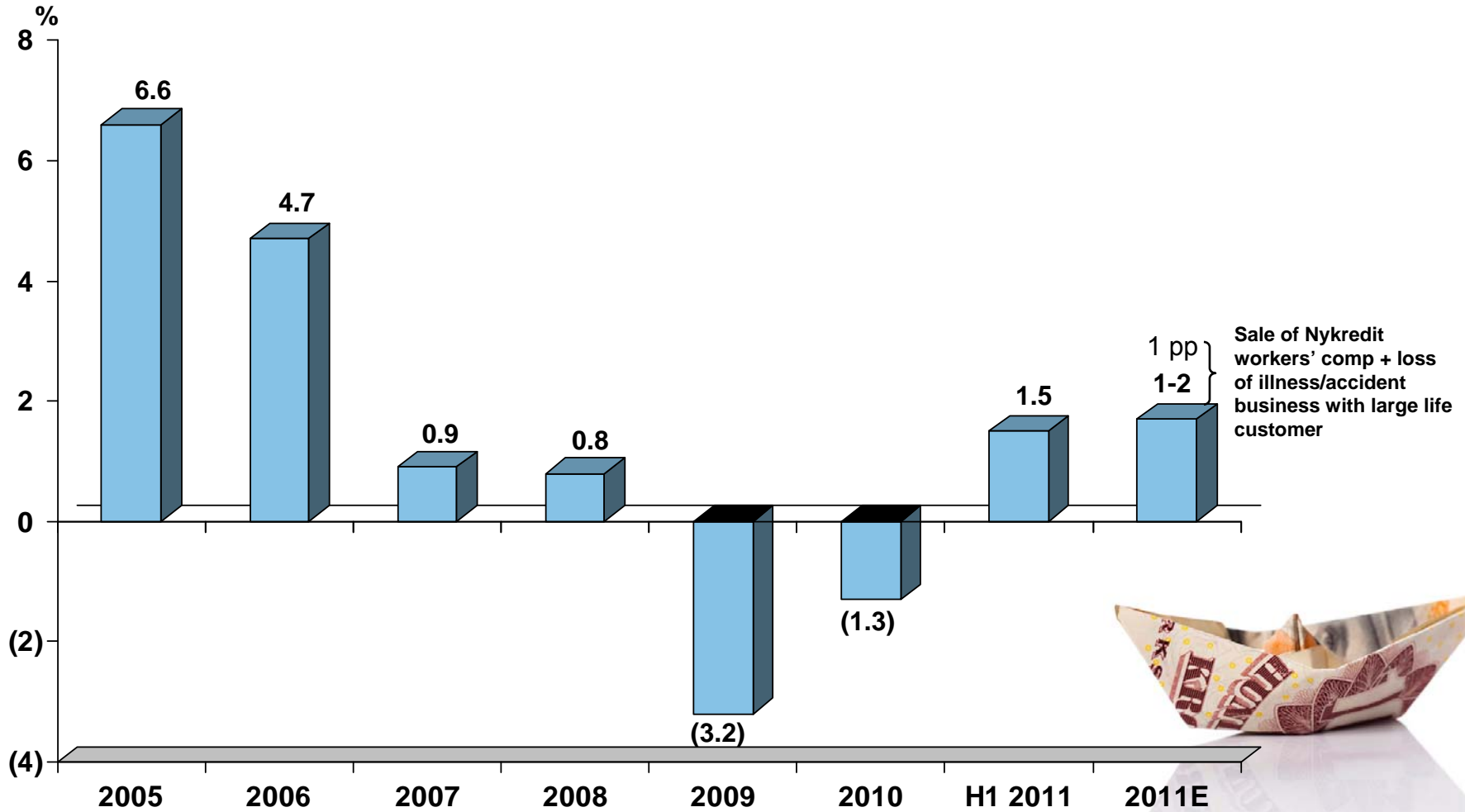
# Trend in pre-tax results H1 2010-H1 2011 (DKKm)



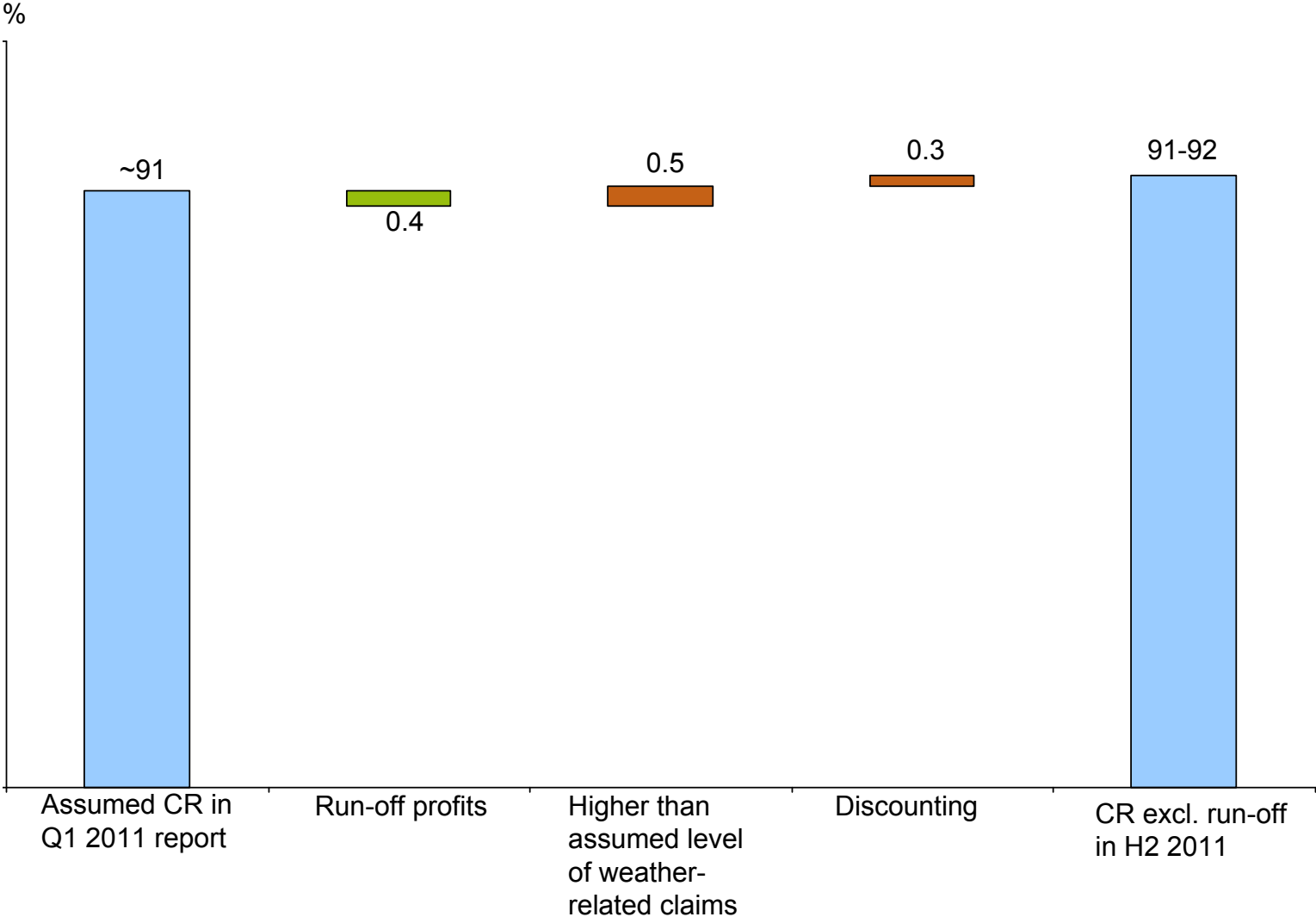
# Claims trend H1 2010-H1 2011



# Premium growth in non-life



# Assumed CR for 2011



# Prospects for life insurance 2011

- Expected decline of 5-8% in regular premiums
  - Loss of large customer in Q1 2011
- Portfolios of Life I and Life V split into contribution groups taking effect on 1 January 2011
  - Interest rate, risk and cost groups
- Size of risk allowance (interest rate groups) 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
- As a consequence of the downturn in the financial markets the shadow account forecast at 31 December 2011 has been increased from DKK 25m to DKK 125m.
- Risk allowance will be considered on the finalisation of the 2011 Annual Report
- Results highly sensitive to fluctuations in investment return

# Results – Life insurance

(DKKm)			H1 2010			H1 2011
	Life I	Life V	Group	Life I	Life V	Group
Investment return	22	38	60	35	22	57
Risk allowance	39	26	64	62	31	93
Transferred, shadow account	(39)		(39)	(9)	(6)	(14)
Other			9			3
<b>Profit on life insurance</b>			<b>94</b>			<b>138</b>
<b>Shadow account end of period</b>	<b>180</b>	<b>0</b>	<b>180</b>	<b>9</b>	<b>6</b>	<b>14</b>



# Investment return

## - for Topdanmark Group excl. life insurance

	Portfolio 30 June		Return Q2 2010		Return Q2 2011		Return H1 2010		Return H1 2011	
	2010	2011	Return	%	Return	%	Return	%	Return	%
	(DKKbn)	(DKKbn)	(DKKkm)	(%)	(DKKkm)	(%)	(DKKkm)	(%)	(DKKkm)	(%)
Danish equities	0.3	0.4	2	0.6	(21)	(5.1)	28	8.3	(13)	(3.2)
Foreign equities	0.8	0.8	(73)	(8.4)	(10)	(1.1)	(32)	(3.8)	38	4.6
Government and mortgage bonds	11.7	12.1	3	0.0	80	0.7	153	1.4	205	1.7
Credit bonds	0.8	0.8	(12)	(1.6)	0	(0.3)	23	3.3	24	3.1
CDOs	0.7	0.8	27	3.8	48	6.2	56	7.6	168	24.7
Properties	1.3	1.3	19	1.5	19	1.4	36	2.8	48	3.6
Assets rel. to I/A	1.6	1.8	25	1.6	17	0.9	56	3.7	59	3.5
Money market etc.	2.4	2.9	30	0.9	8	0.2	45	1.3	16	0.7
Interest-bearing debt	(1.9)	(3.2)	(9)	(0.4)	(16)	(0.5)	(20)	(0.7)	(29)	(1.0)
	17.8	17.6	12	0.1	124	0.7	346	2.0	516	3.0
Asset management			10		12		19		22	
Total investment return			22		135		365		538	
<b>Transferred return technical provisions</b>										
Discounting			(80)		(92)		(165)		(171)	
Technical interest			(12)		(22)		(39)		(46)	

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 13 May 2011		Forecast for 2011 12 August 2011	
Non-life insurance					
- Technical result	626	810	–	860	780 – 830
- Investment return after transfer to technical result etc.	465	470	–	530	250 – 300
Profit on non-life insurance	1,092	1,280	–	1,390	1,030 – 1,130
Life insurance	384	280	–	310	180 – 210
Parent company etc.	31	20	–	30	50 – 60
Pre-tax profit	1,506	1,580	–	1,730	1,260 – 1,400
Taxation	(338)	(380)	–	(430)	(310) – (350)
Profit for the year	1,168	1,200	–	1,300	950 – 1,050

Representing a profit per share of DKK 73

# Buy-back for 2011

– Reduced by DKK 200m to DKK 1.2bn

- Buy-back for 2011 reduced by DKK 200m to DKK 1.2bn
  - Buy-back yield of 9.8%
- To date in 2011 own shares of DKK 877m bought back
- Balance remaining of the 2011 programme: DKK 323m
- Since 1998 Topdanmark has cancelled 64.1% of outstanding shares
  - Average price per share: DKK 358



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

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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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