

March 2010

# Topdanmark 2009 results

# Highlights

## Q4 2009

- DKK 337m profit (Q4 2008: DKK 26m loss)
- Increase in CR to 91.1(Q4 2008: 83.3)
  - Primarily due to lower interest rates, increase in fire claims on farm buildings and lower gains on claims provisions
- Increase in investment return to DKK 119m profit (Q4 2008: DKK 375m loss)

## 2009

- DKK 1,446m profit representing a profit per share of DKK 91.7
- Increase in CR to 91.1 (Q4 2008: 82.4)
- Unchanged share buy-back from the DKK 355m announced in Q1-Q3 report for 2009

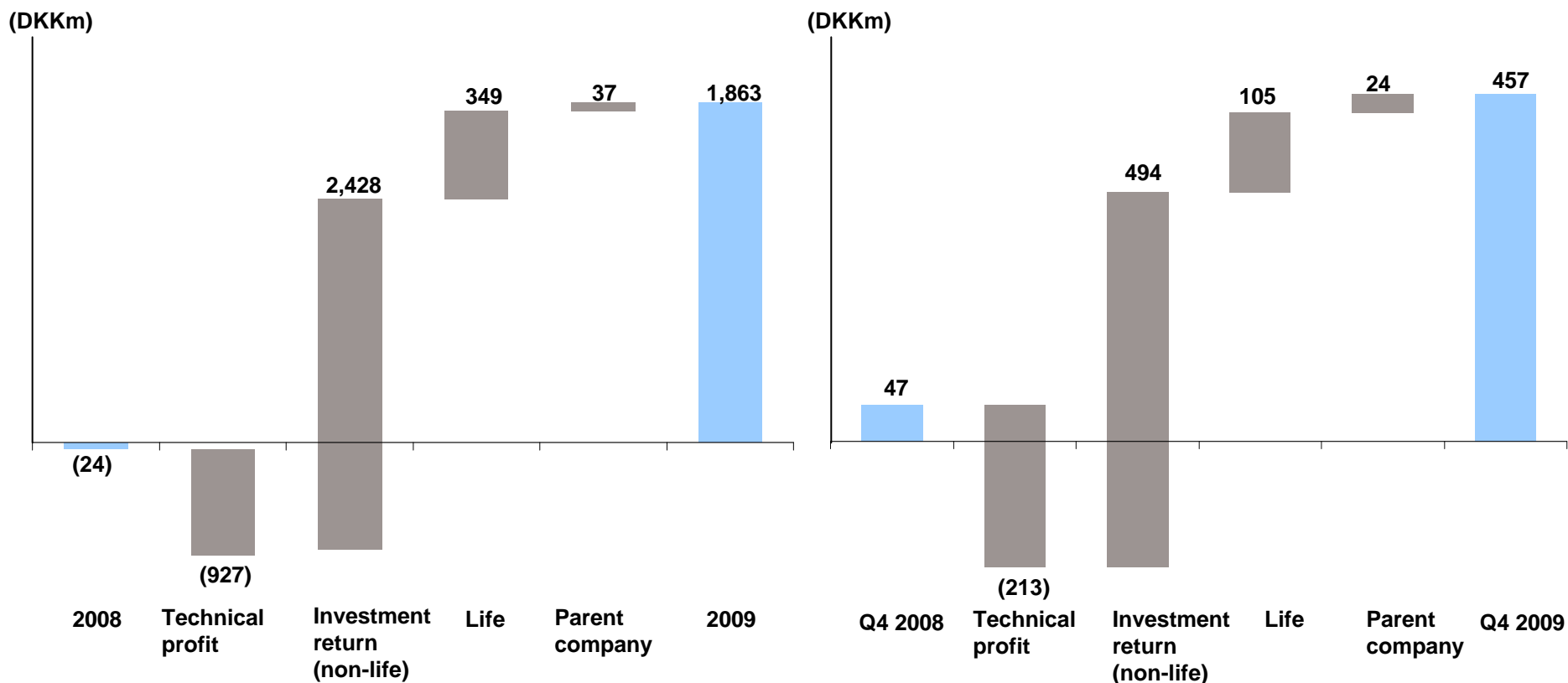
## Profit forecast model for 2010

- CR changed to 95-96 from 91-92, extraordinarily impacted by weather-related claims representing 3-4pp above a normal level
- Premium growth in non-life changed to 1-2% from 2-3%
- Profit forecast model: DKK 800-900m representing a profit per share of DKK 57
- Share buy-back of DKK 900m representing a yield of 8.3%

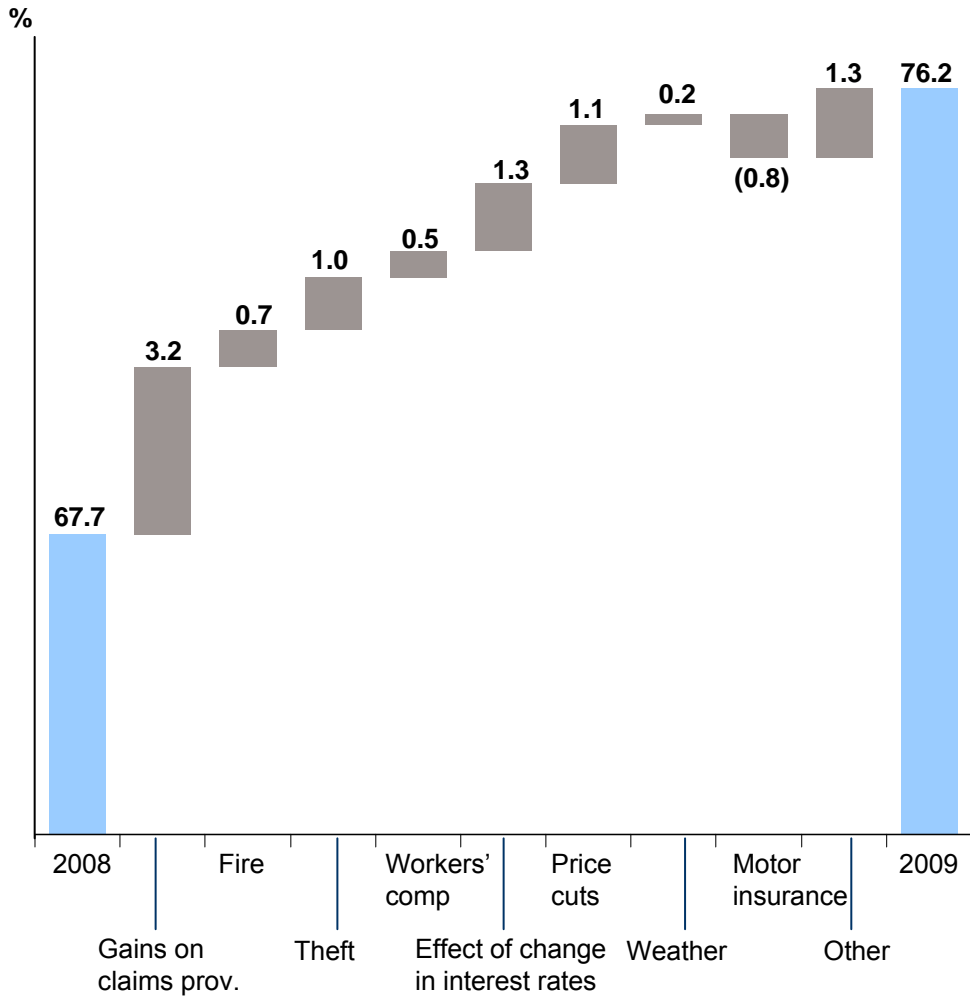


## Trend in pre-tax result 2008 – 2009

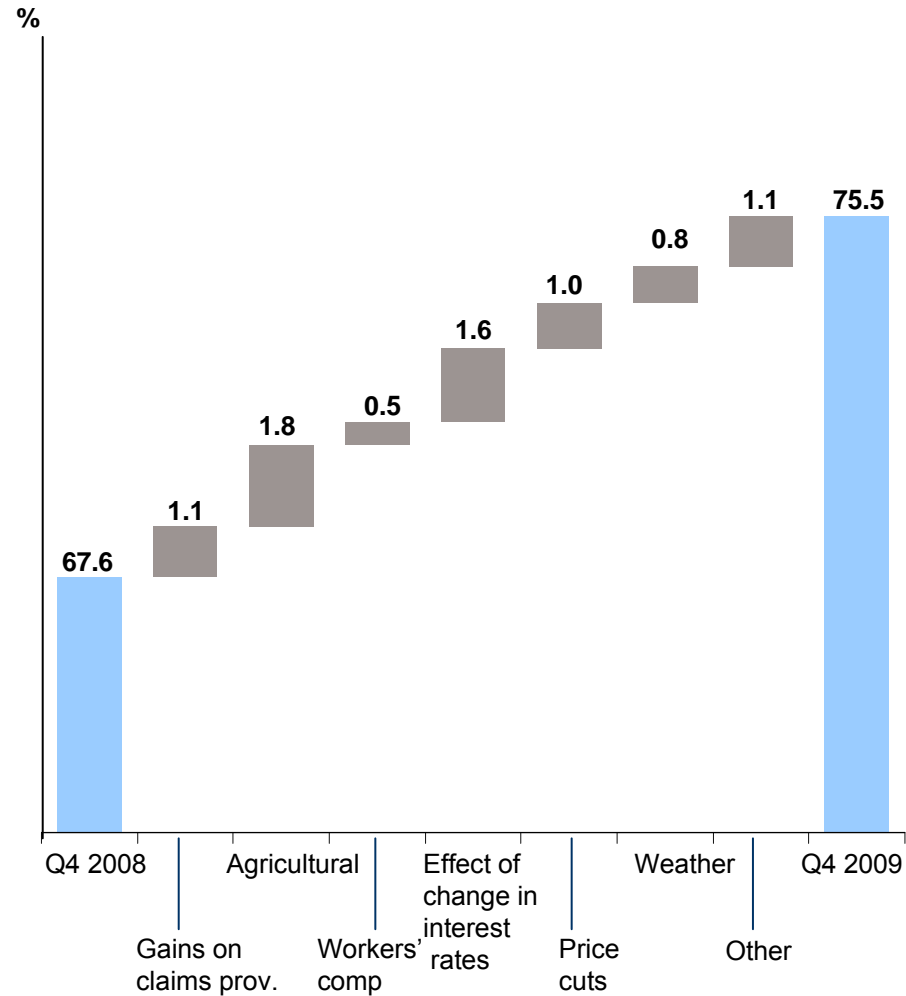
## Trend in pre-tax result Q4 2008 – Q4 2009



### Trend in claims trend 2008 – 2009

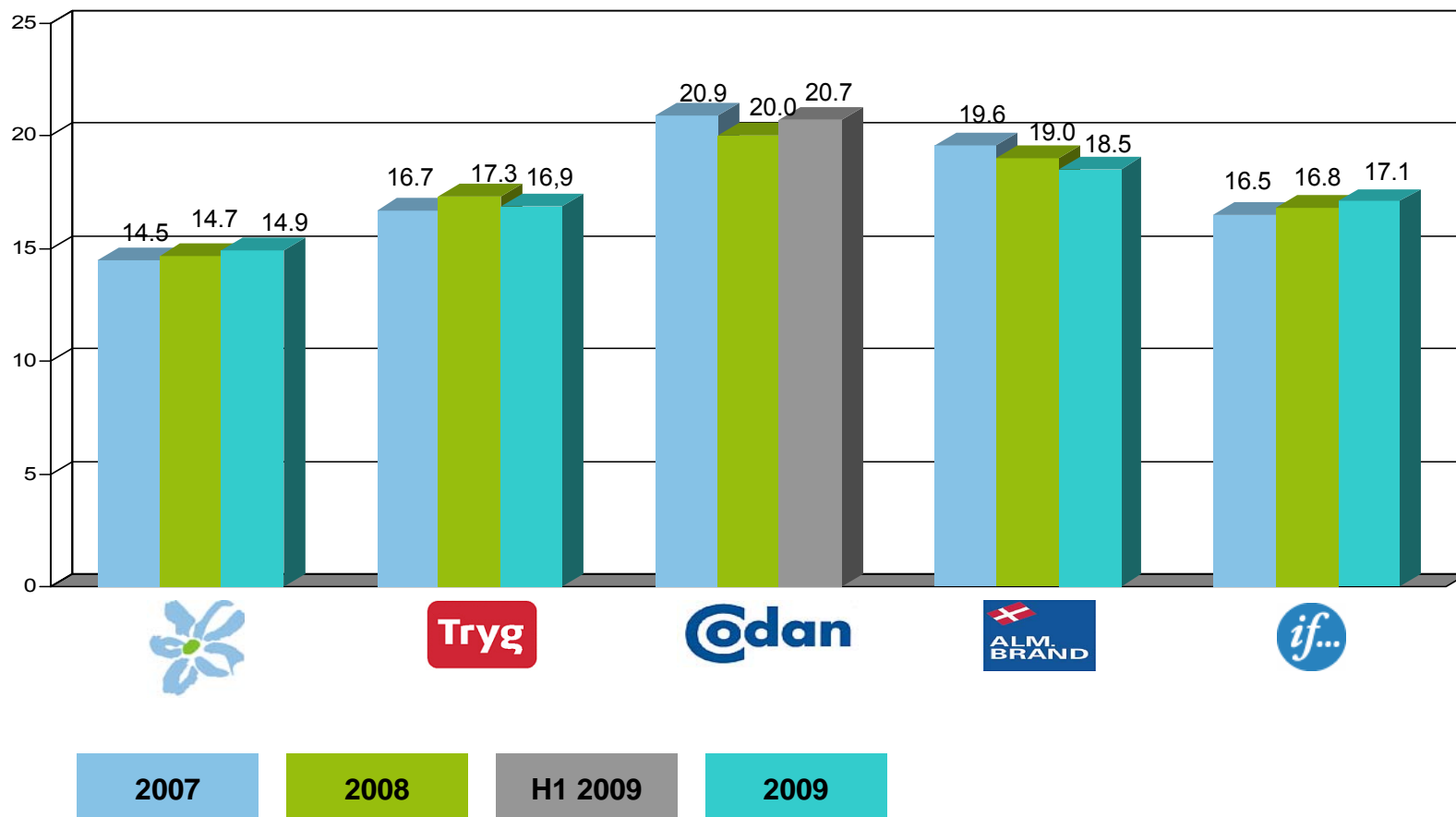


### Trend in claims trend Q4 2008 – Q4 2009



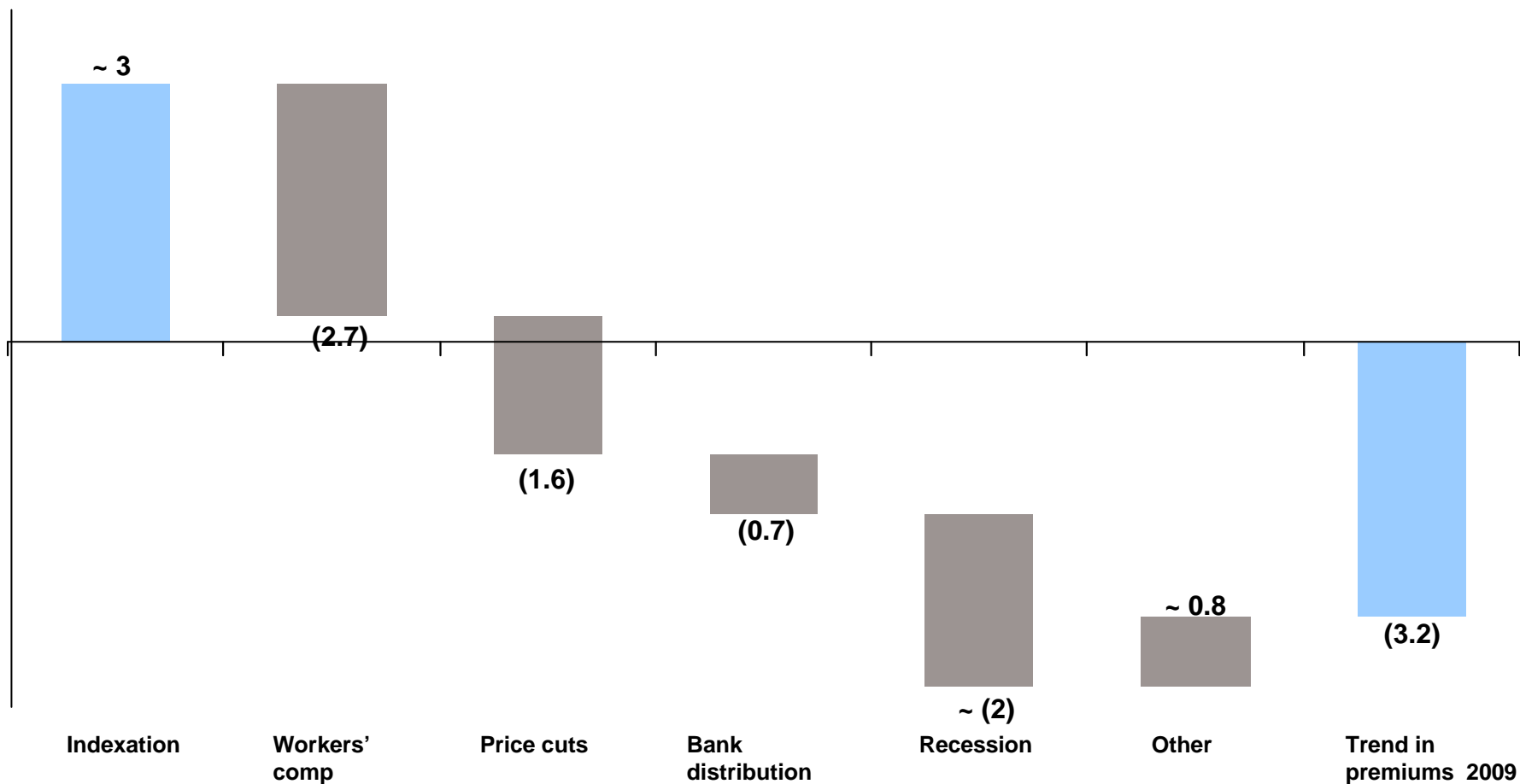
# Comparison

- expense ratio (group level)



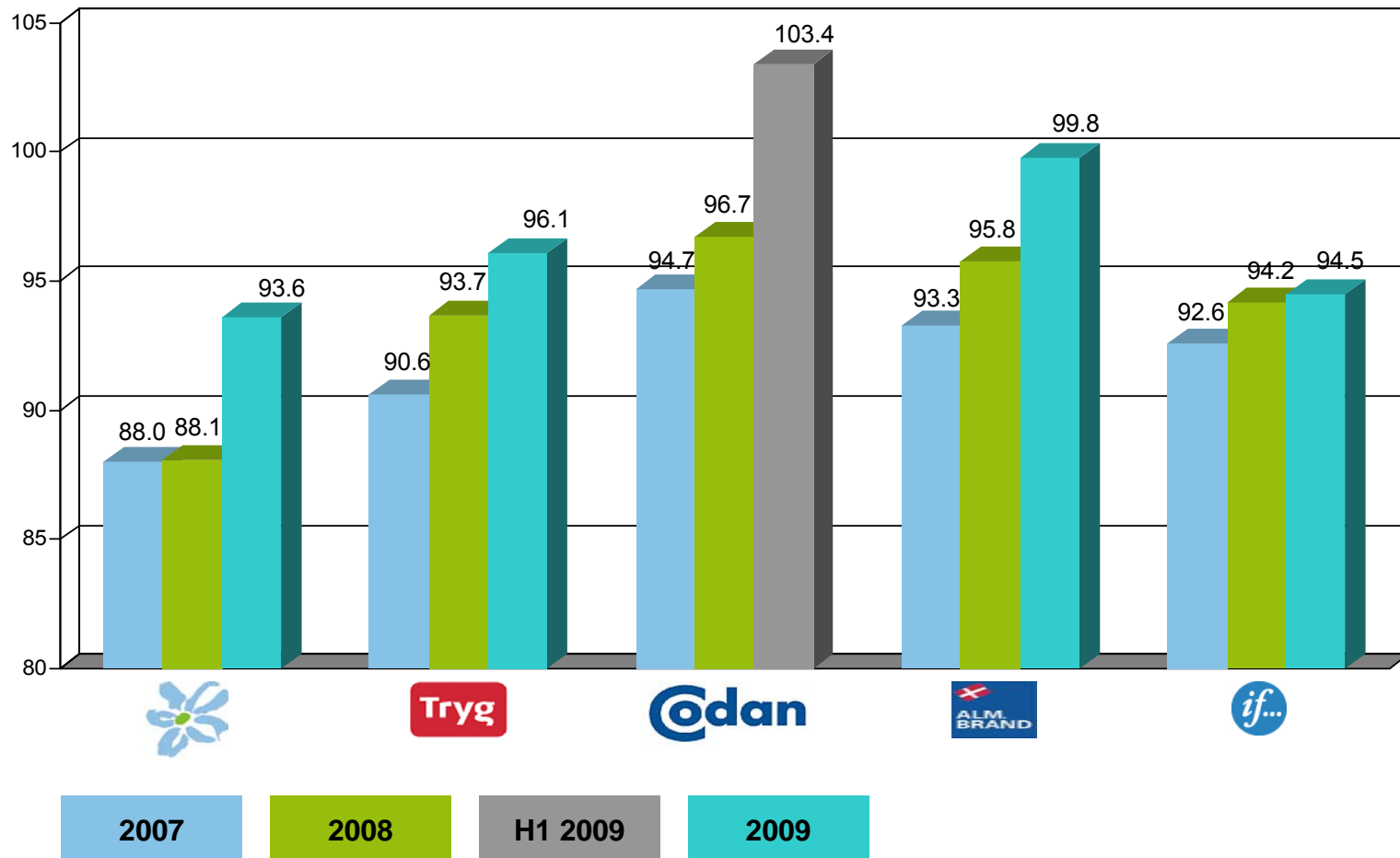
# Trend in premiums

## 2008 – 2009

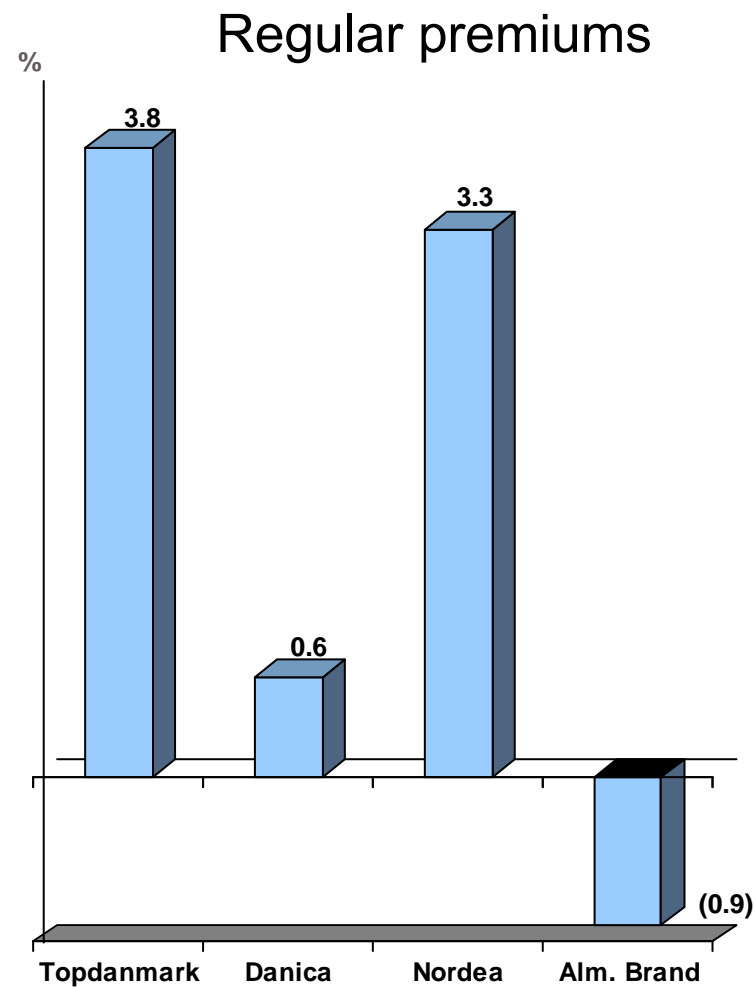
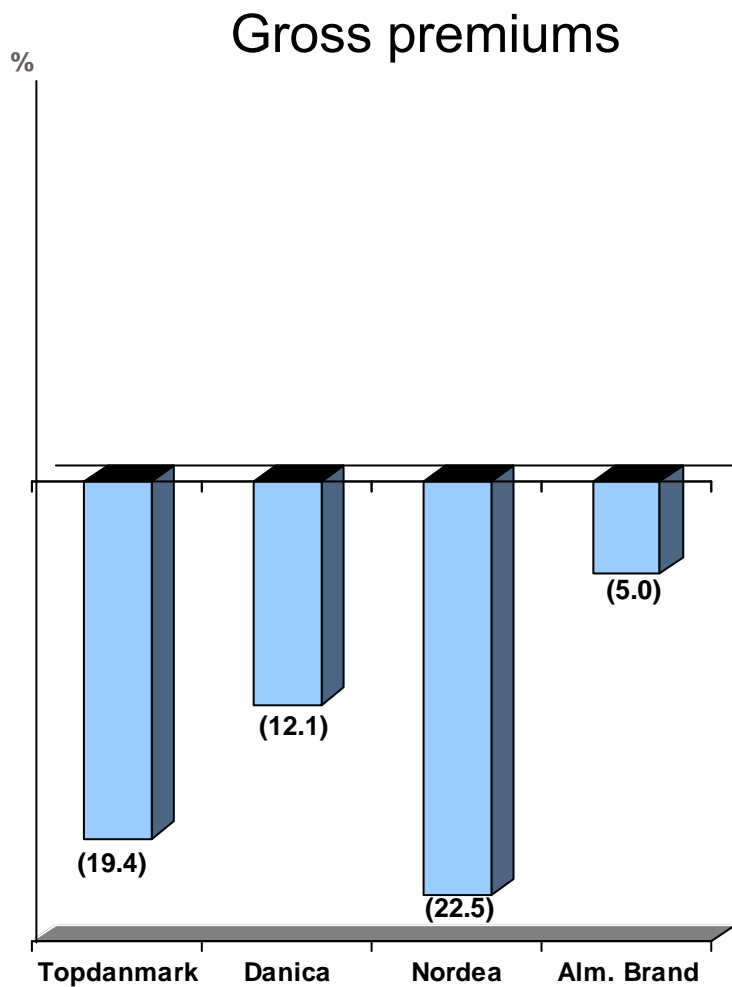


# Comparison

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



# Comparison of trend in premiums in 2009- Life





# Result of life insurance

## Result of life insurance

(DKKm)	2008			2009		
	Life I	Life V	Group	Life I	Life V	Group
Investment return	(4)	(1)	(5)	42	60	102
Risk allowance	60	52	112	73	52	125
Transferred to / from shadow account	(60)	(52)	(112)	(73)	113	40
Profit / (loss) in Topdanmark Link			(26)			38
Financing charges Liv Holding			(14)			(8)
Other			(12)			(5)
<b>Profit / (loss) on life insurance</b>			<b>(57)</b>			<b>292</b>
<b>Shadow account at 31 December</b>	<b>60</b>	<b>104</b>	<b>164</b>	<b>137</b>	<b>0</b>	<b>137</b>

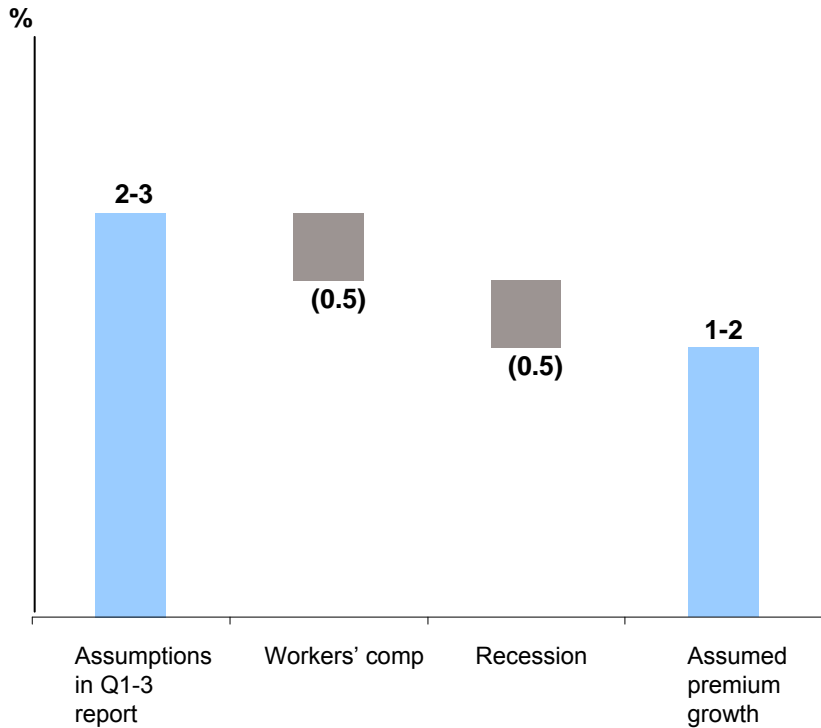
# Investment return

## - Topdanmark Group excl. life insurance 2009

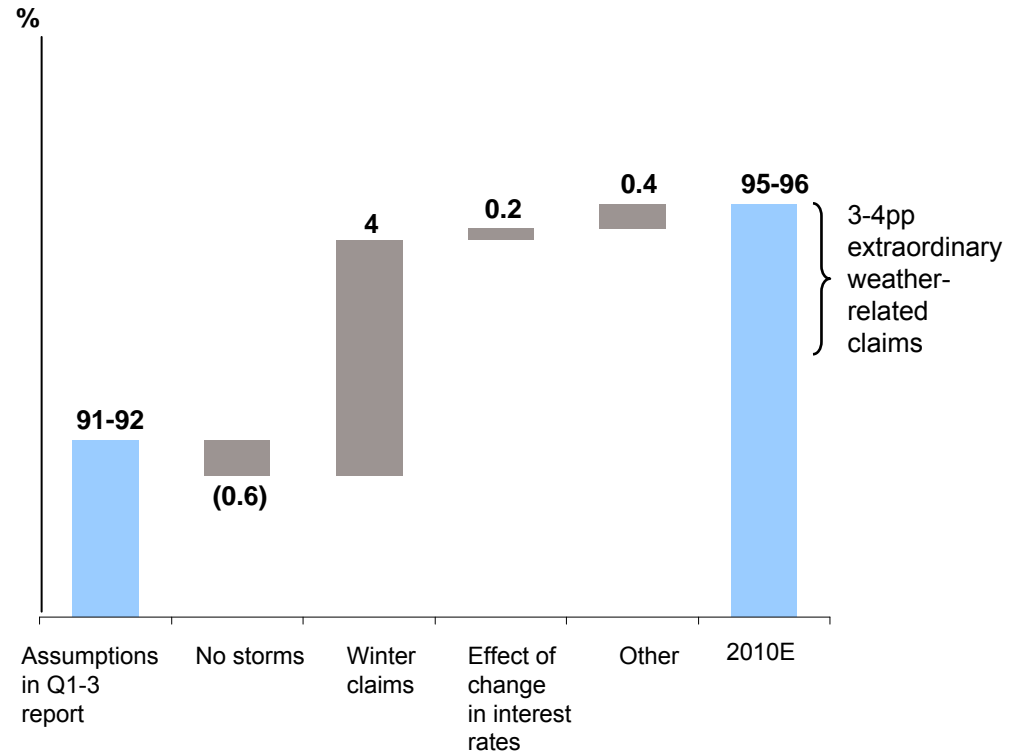
	Portfolio (DKKbn)		Return Q4 2008		Return Q4 2009		Return 2008		Return 2009	
	2008	2009	(DKKm)	%	(DKKm)	%	(DKKm)	%	(DKKm)	%
Danish equities	0.3	0.3	(114)	(27.2)	(4)	(1.7)	(245)	(42.3)	74	25.9
Foreign equities	0.7	0.9	(175)	(18.5)	54	3.1	(486)	(38.3)	283	40.6
Government and mortgage bonds	9.1	10.5	116	1.4	70	0.6	148	1.8	449	4.7
Credit bonds	0.8	0.6	(49)	(5.1)	18	5.5	(309)	(23.7)	108	18.5
CDOs	1.0	0.9	26	2.5	29	3.1	(243)	(17.7)	(10)	(1.1)
Properties	1.3	1.3	11	1.3	16	1.2	55	6.5	75	6.0
Assets rel. to I/A	1.3	1.4	2	0.2	25	1.8	(7)	(0.6)	91	6.6
Money market etc.	5.2	3.7	7	0.0	16	0.6	80	2.8	192	4.0
Interest-bearing debt	(5.3)	(3.6)	(37)	(1.4)	(15)	(0.6)	(82)	(6.3)	(123)	(3.1)
	14.4	16.0	(213)	(1.5)	209	1.3	(1,089)	(6.9)	1,139	7.3
Asset management			17		27		37		53	
Total investment return			(196)		236		(1,052)		1,192	

# Assumptions for 2010 forecast

## Premium growth



## CR excl. any gains on / strengthening of claims provisions



# Profit forecast model for 2010

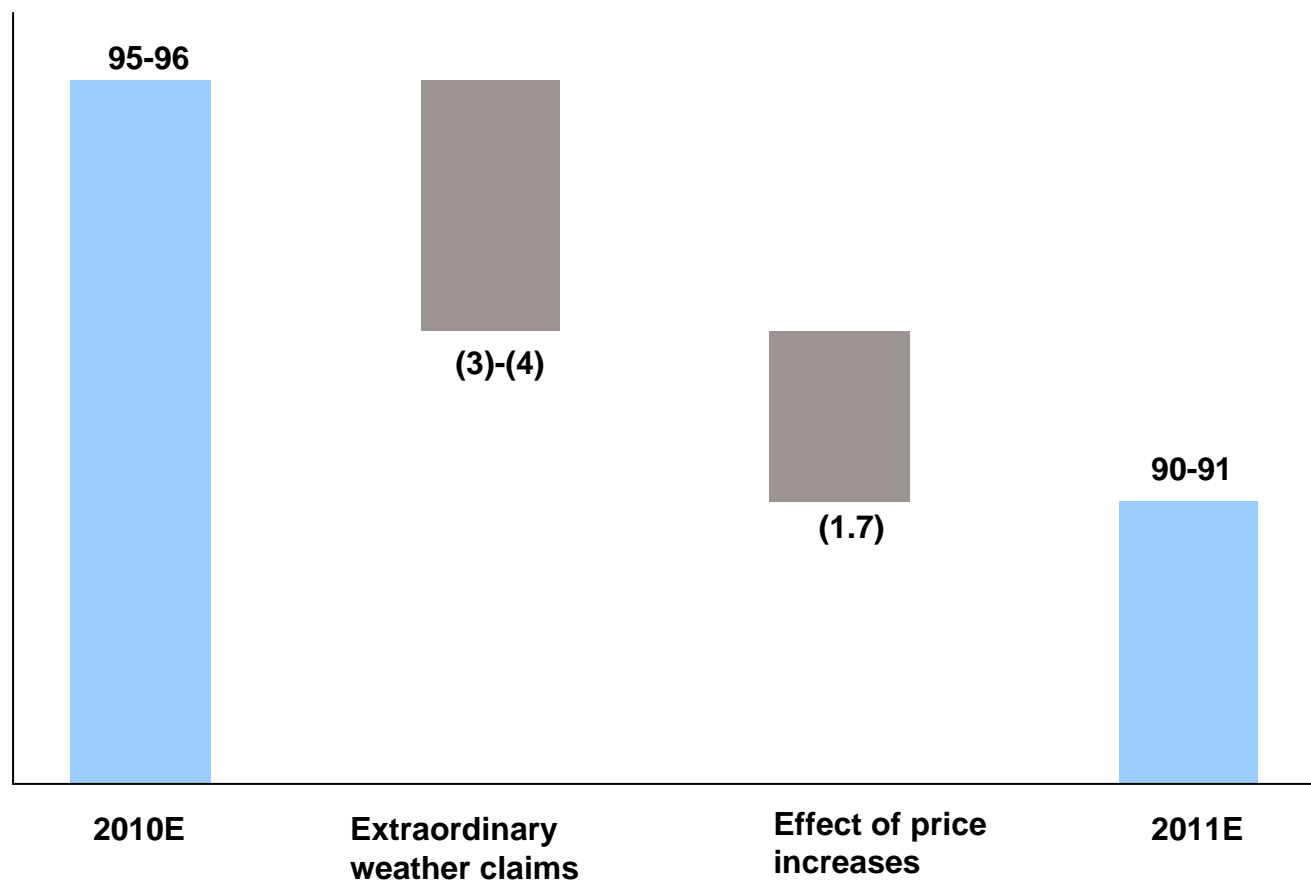
## Profit forecast 2010

(DKKm)	2009	Forecast for 2010 26 February 2010		
Non-life insurance				
- Technical result	869	490	-	540
- Investment return after transfer to technical result etc.	723	280	-	340
Profit on non-life insurance	1,592	770	-	880
Life insurance	292	320	-	340
Parent company etc.	(21)	(30)	-	(20)
Pre-tax profit / (loss)	1,863	1,060	-	1,200
Taxation	(417)	(260)	-	(300)
Profit / (loss) for the year	1,446	800	-	900

Representing a profit per share of DKK 57

# Prospects of improved CR in 2011

excl. any gains on / strengthening of claims provisions  
– all other factors unchanged



# Buy-back yield

- 8.3% for 2010

Share buy-back remains at DKK 355m of the DKK 575m programme for 2009, as announced in Q1-Q3 report

- Balance of DKK 220m transferred to 2010

2009 profit about DKK 200m higher than assumed in Q1-Q3 report

At CMD Topdanmark said that based on a normal profit of DKK 1bn, a normal buy-back would be DKK 500-600m in 2010 and 2011

Share buy-back model changed to now being based on capital requirements of Solvency II

- Plans DKK 900m as buy-back for 2010
  - Representing 8.3% yield

No shares bought back since Q1-Q3 report

- Programme of DKK 900m broadly to be effected in remainder of 2010

Since 1998 Topdanmark bought back 59% of outstanding shares



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