

May 2010

Topdanmark Q1 2010 results

Highlights - Q1 2010

- Increase in profit to DKK 268m in Q1 2010 (Q1 2009: DKK 35m)
- Better than expected profit
 - Lower winter claims and higher investment return

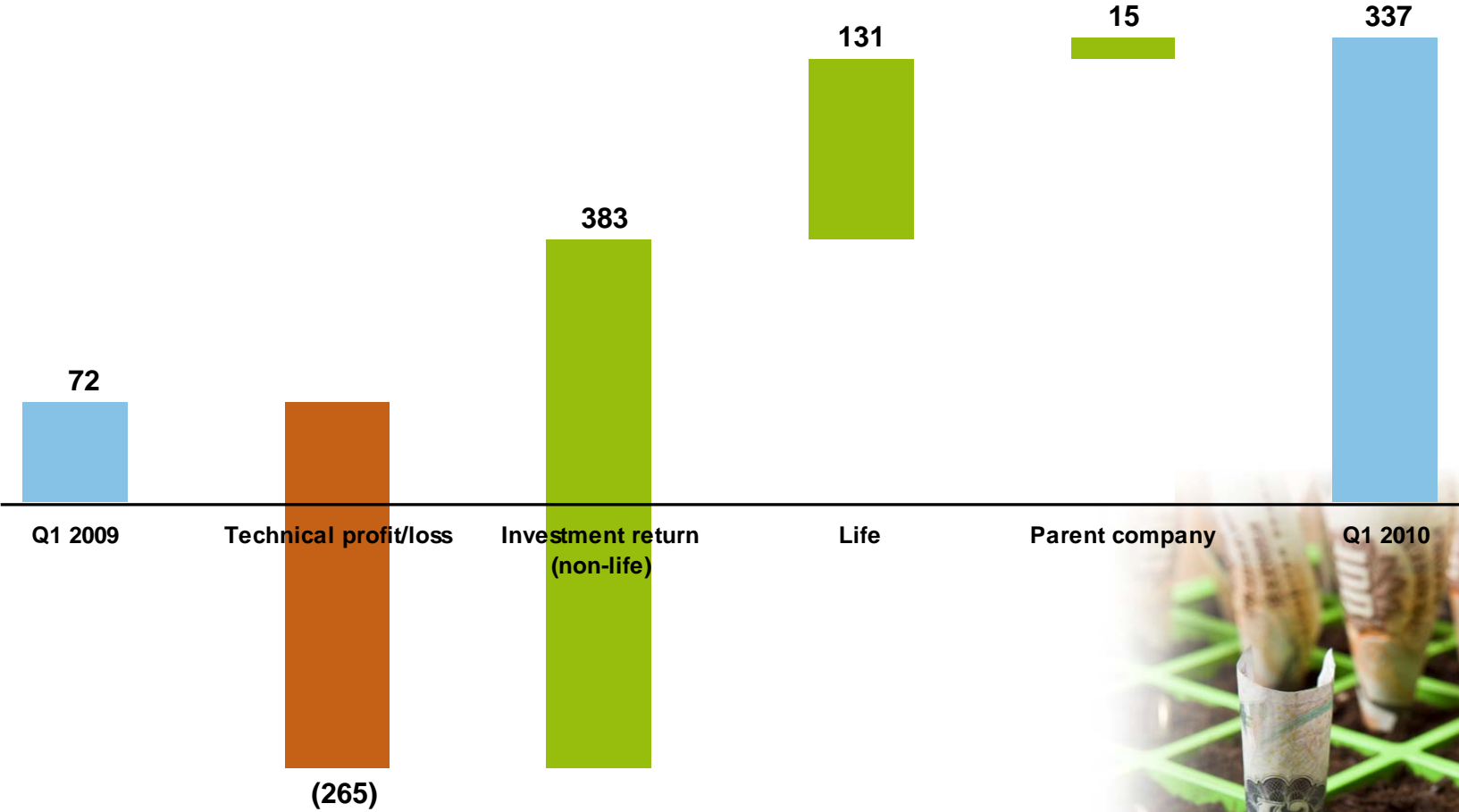
- 3.5% decline in premiums earned in non-life
- Higher than assumed decline due to premium adjustments on 2009 results
- Adjustment of assumed growth in premiums for 2010 to around zero from 1-2%

- Increase in CR to 102.8 in Q1 2010 (Q1 2009: 91.4)
- Increase in CR to 105.8 in Q1 2010 excl. run-off profits (Q1 2009: 93.7)
 - Underlying CR of 93.2 in Q1 2010 excl. run-off profits

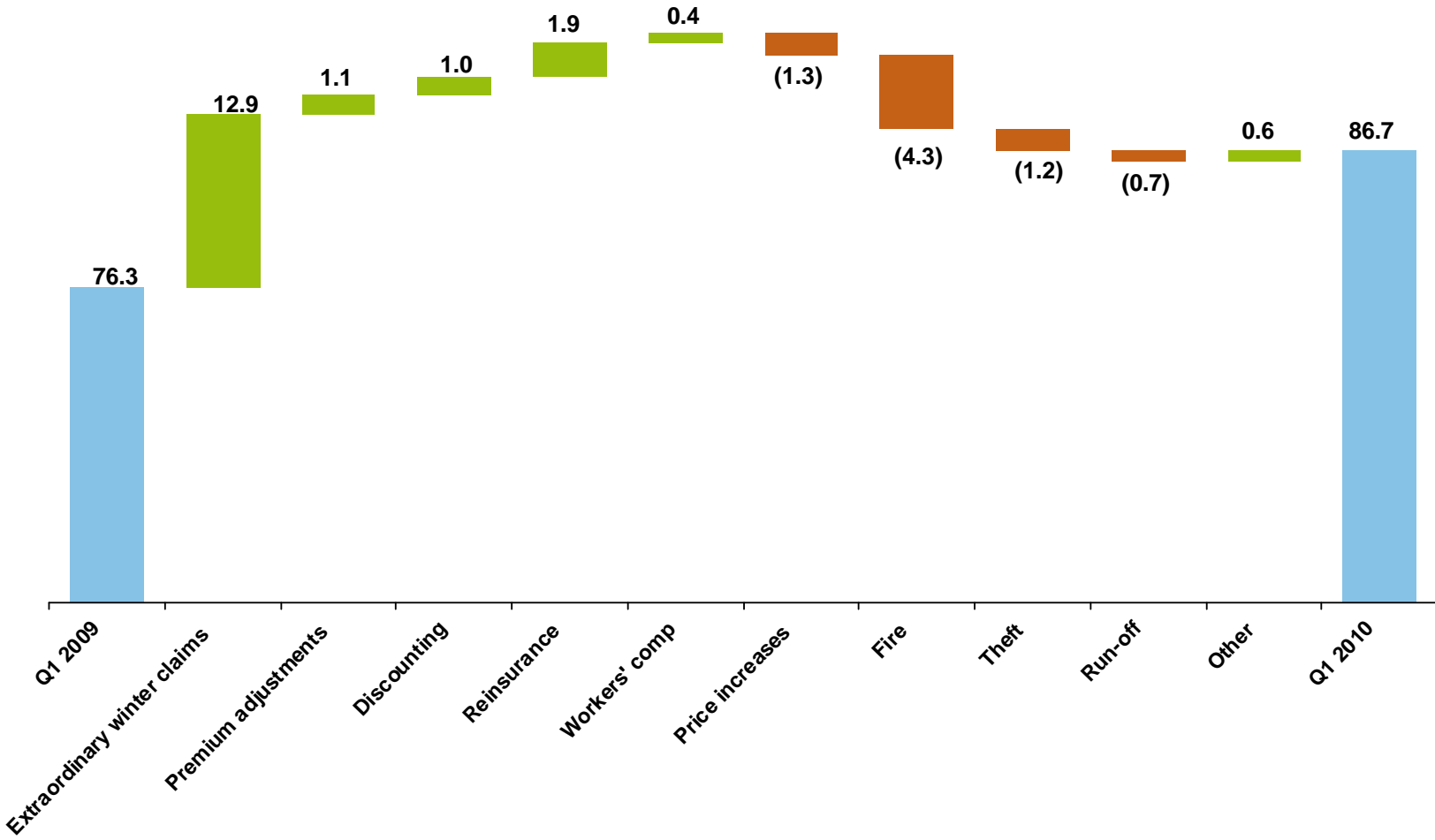
- Improved assumed CR for 2010 to 94-95 (underlying 91) from 96-95, excl. any run-off profits / losses in Q2-Q4 2010
- Upgraded post-tax profit forecast model for 2010 by DKK 150m to DKK 950 - 1,050m

- Increase in share buy-back programme for 2010 to DKK 1,050m from DKK 900m (buy-back yield of 9.6%)
 - Balance of DKK 969m of 2010 programme

Trend in pre-tax results - Q1 2009-Q1 2010



Trend in claims trend - Q1 2009-Q1 2010



Winter claims

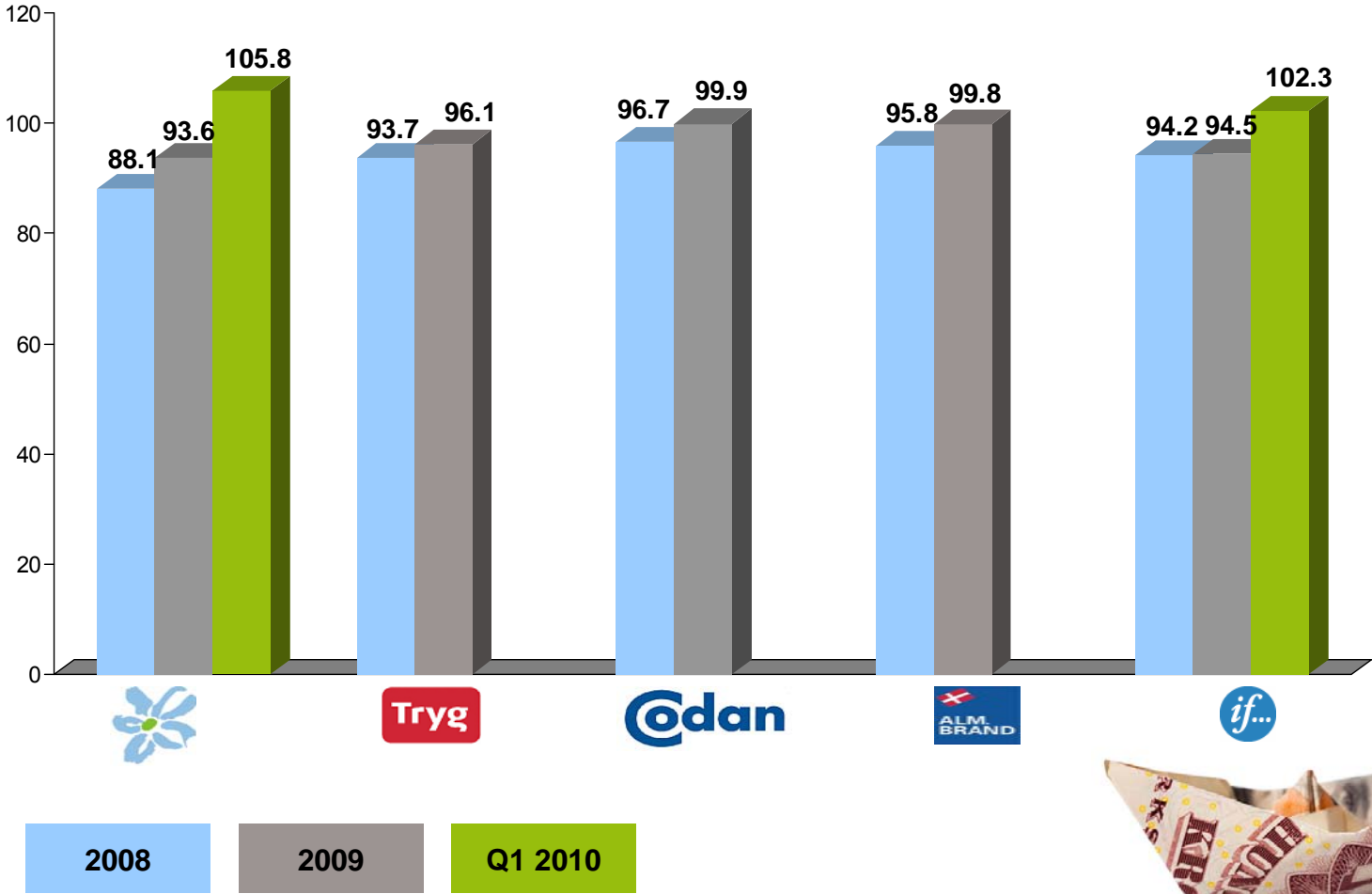
- 2009 Annual Report winter claims for 2010 estimated to be DKK 350m above normal
 - DKK 300m of claims already reported
 - DKK 50m of snow loading and snow thawing claims in Q2 2010

- Revised estimate for 2010:
 - DKK 270m charged to P&L account in Q1 2010
 - Estimate for Q2 2010: DKK 30m
 - Revised estimate of winter claims above normal: DKK 300m

- Adjusted for weather claims in Q1 2010 (DKK 50m assumed in forecast model each year), expected extraordinary effect of winter claims in 2010: DKK 250m
 - Corresponding to 2.9pp effect on CR



Comparison - CR excl. run-off profits (Group level)



Prospects for life insurance 2010

- 5% growth assumed in regular premiums
- Risk allowances of DKK 137m assumed to be booked in both Life I and Life V
- Shadow account balance of DKK 137m assumed to be booked in Life I
 - Highly sensitive to fluctuations in the investment return during the remainder of 2010.



Results - Life insurance

(DKKm)	Life I	Life V	Q1 2009 Group	Life I	Life V	Q1 2010 Group
Investment return	7	8	15	14	20	34
Risk allowance	16	13	29	19	13	31
Transferred to / from shadow account	(16)	(13)	(29)	60	0	60
Profit in Topdanmark Link			1			13
Financing charges Life Holding			(4)			(1)
Other			1			6
Profit on life insurance			13			144
Shadow account end of period	77	118	195	79	0	79

Investment return

- Topdanmark Group excl. life insurance Q1 2010

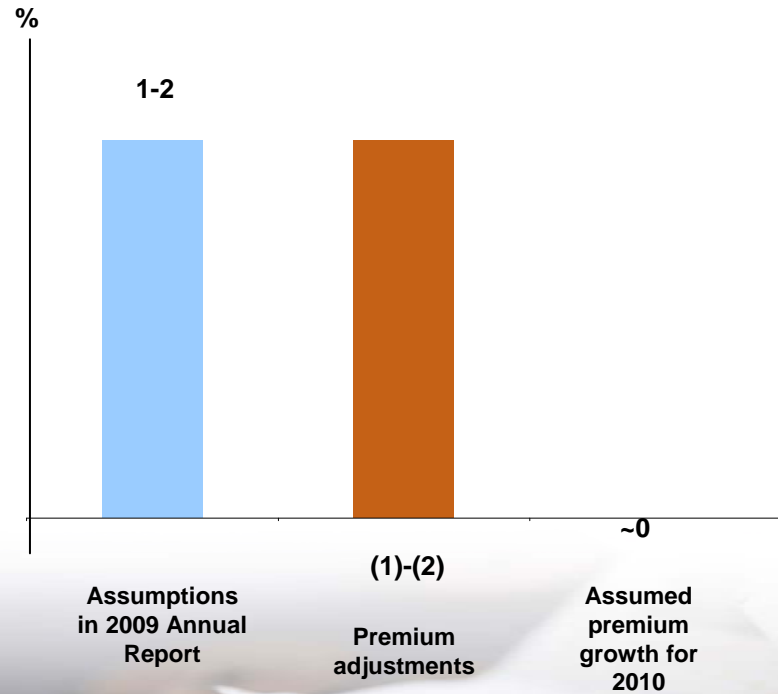
	Portfolio				
	31 Mar DKKbn	Return Q1 DKKbn	2009 %	Return Q1 DKKbn	2010 %
Danish equities	0.4	(25)	(7.9)	26	7.7
Foreign equities	0.8	(42)	(5.9)	41	4.7
Government and mortgage bonds	11.3	81	0.9	150	1.4
Credit bonds	0.8	(31)	(4.0)	35	5.0
CDOs	0.7	(44)	(4.4)	29	3.7
Properties	1.3	17	1.3	18	1.4
Assets rel. to I/A	1.6	11	0.7	31	2.1
Money market etc.	4.1	62	1.1	15	0.4
Interest-bear. debt	(2.7)	(57)	(1.1)	(11)	(0.4)
	18.3	(28)	(0.2)	334	2.0
Asset management		9		9	
Total		(19)		343	

Unchanged goal of solvency capital of DKK 4.5bn

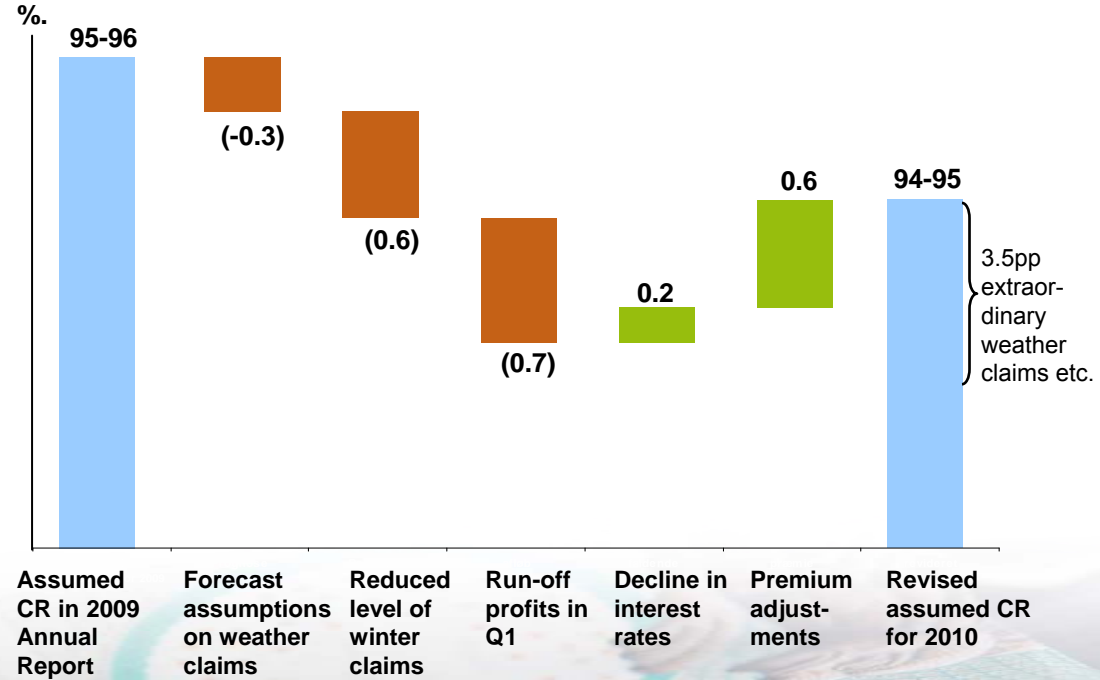
- Topdanmark assumes
 - Use of its internal model for non-life insurance risks
 - Use of standard model for investments risks
- Overall QIS5 specifications will mean lower lower future capital requirements than previously expected
- Continued significant uncertainty - therefore Topdanmark has not changed its goal to accumulate solvency capital of DKK 4.5bn by 2012
- If contrary to expectation Topdanmark cannot use an internal model for non-life insurance risks, solvency capital requirements will increase by around DKK 1bn
- Could be financed by issuing tier 2 capital
 - In the event of issue of tier 2 capital of DKK 1bn with a 4pp margin to reinvestment rate, pre-tax extra cost will be DKK 40m (post-tax: DKK 30m)
 - Representing about 3% of a normal post-tax profit

Assumptions for 2010 forecast

Premium growth



CR excl. any run-off profits in Q2-Q4 2010



Profit forecast model for 2010

(DKKm)	2009	Forecast for 2010 26 February 2010		Forecast for 2010 11 May 2010	
Non-life insurance					
- Technical result	869	490	- 540	570	- 620
- Investment return after transfer to technical result etc.	723	280	- 340	310	- 370
Profit on non-life insurance	1,592	770	- 880	880	- 990
Life insurance	292	320	- 340	390	- 410
Parent company etc.	(21)	(30)	- (20)	(20)	- (10)
Pre-tax profit	1,863	1,060	- 1,200	1,250	- 1,390
Taxation	(417)	(260)	- (300)	(300)	- (340)
Profit for the year	1,446	800	- 900	950	- 1,050

Representing a profit per share of DKK 67

Buy-back potential 2010

- increased to DKK 1,050m from DKK 900m

- Buy-back for 2010 increased by DKK 150 to DKK 1,050m
- To date in 2010 own shares of DKK 81m bought back
- Leaving a balance of DKK 969m of the 2010 programme
- Since 1998 Topdanmark cancelled 59% of outstanding share
 - Average price per share: DKK 324



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 management” on our website www.topdanmark.com → [Risk management](#) .

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 Q1 2010 Report.

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