

With the country's strongest capital and liquidity position, TF Holding, the leading private investor in the Faroe Islands—and by far the leading insurance group—reported a record profit for 2009.

IT WAS HARDLY a surprise when representatives for the fledgling offshore oil and gas sector in the Faroe Islands signed a joint contract with the Faroe Insurance Company—commonly known as Tryggingarfelagið Føroyar, or TF—to reduce risks and liabilities related to exploration operations in Faroese territory.

With an overall market share of around 80 percent, TF offers insurance solutions for large and small businesses as well as consumers.

The group is likewise the largest private investor in the Faroe Islands with shares in a wide range of sectors, from tourism and information technology to aquaculture and industrial manufacturing.

The company took a hit from the global financial crisis in 2008, incurring large unrealized losses from securities. A year later, however, stock gains have turned the tables decisively, aided by increased revenues on the domestic arena, allowing TF Holding to emerge strengthened from the crisis, reporting a record after tax profit of 207 million DKK (28m EUR).

Throughout the period, still, TF has remained financially sound with solvency and liquidity strong. At year-end 2009, the equity capital base was 1.5 billion DKK (207m EUR)—exceptional for any Faroese enterprise.

“We generally follow a conservative policy when it comes to investments and



‘ALWAYS ON THE LOOK-OUT FOR NEW OPPORTUNITIES’

risks,” said TF Holding chief executive Gunnar í Liða. “Most of our investments are long-term commitments and not financed by credit. This strategy has served us well in the past and also helped us weather the financial storm of 2008.”

TF has invested in various securities—e.g. stocks, bonds, mutual funds—and a few individual companies abroad, including a commercial bank, a retail chain, and an information and communication technology provider. Yet the bulk of the group’s investments are placed in specific Faroese businesses, in line with TF’s stated mission: “To gen-

erate economic security and progress in the Faroe Islands.”

With its current organizational structure dating back to 2003, TF was established in 1998 as a mutual insurance company, fully owned by its policyholders via TF Holding. The business is built on decades of experience from the Faroese insurance sector prior to the liberalization of the market in 1997. TF Holding today encompasses five business divisions—Tryggingarfelagið Føroyar, general insurance company; Betri Pensiún, pensions and life insurance; TF Ognir, internal real estate; TF

TF Holding's corporate headquarters in Tórshavn; chief executive officer Gunnar í Liða (below).

ing part in offshore exploration activities here. Working with such clients as insurance partners is very important for TF because it deepens our knowledge of various aspects of the oil and gas industry and provides us with the opportunity to develop our expertise further. Overall, the Faroese business scene has clearly become more internationalized in recent years and, as a result, we’ve seen an increase in international insurance business. For foreigners who do business in the Faroes we’re happy to give advice on insurance matters and to offer first-class insurance coverage.”

As to investment opportunities, TF likes to keep an open mind with regard to company size and sector according to Mr. í Liða.

“Our portfolio is diverse and includes e.g. tourism, IT, fish farming, and manufacturing. Foreigners looking for investment partners in the Faroes should know that we’re open for business. We’re in fact always on the look-out for new opportunities—that is, good long-term opportunities. We usually assess opportunities by the potential for financial return on investment as well as the wealth generating potential in relation to the socio-economic dimension. Remember, our mission is to help generate economic security and progress in the Faroe Islands.

“The sticking point is not so much whether we’re dealing with a startup looking for venture capital or an estab-

DIVERSE PORTFOLIO: A growing part of TF’s clientele consists of foreign businesses engaging in trade or industry in the Faroes and needing insurance coverage. Said Mr. í Liða: “One example is the international companies that are tak-

TF Holding

Kongabrugvin, PO Box 329,
FO-110 Tórshavn

www.trygging.fo
E-Mail: tf@trygging.fo
Tel.: +298 345600
Fax: +298 345601

CEO: Gunnar í Liða

TF Holding is the largest private investment company in the Faroe Islands and the country’s leading insurance group.

TF Holding is the sole proprietor of the following subsidiaries:

Insurance company
Tryggingarfelagið Føroyar, equity capital 332.9m DKK (44.7m EUR)

Pension and life insurance company
Betri Pensiún, equity capital 31.8m DKK (4.3m EUR)

Reinsurance company
Faroe Insurance Company Guernsey, equity capital 209.1m DKK (28.1m EUR)

Investment company
Íløgur, equity capital 84.6m DKK (11.4m EUR)

Property company
TF Ognir, equity capital 211.2m DKK (28.4m EUR)

lished organization looking for joint venture investors to take part in new business development. In fact, if we find the ideas we’re presented with to be innovative and interesting, we’ll be likely to take a closer look.”



MARIA OLSEN