

TOPDANMARK'S H1 2014 RESULTS



HIGHLIGHTS

H1 2014

- Post-tax profit increased 21% to DKK 945m
- EPS increased 32% to DKK 8.6
- CR: 85.9 (H1 2013: 88.2)
- CR excl. run-off: 89,7 (H1 2013: 91.6)
- Premium growth: Non-life 3.1% and life 29.0%

Q2 2014

- Post-tax profit increased 89% to DKK 527m
- EPS increased 109% to DKK 4.8
- CR: 82.4 (Q2 2013: 86.8)
- CR excl. run-off: 87.4 (Q2 2013: 89.3)

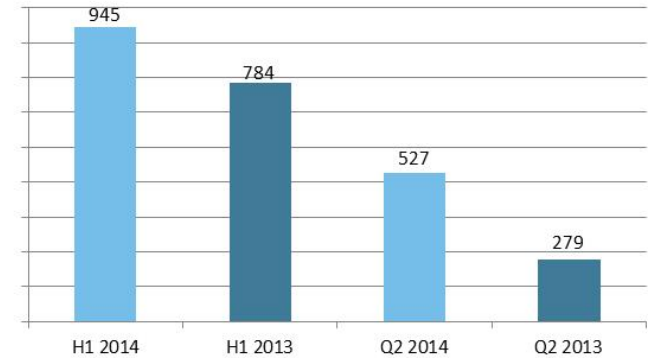
Profit forecast model for 2014

- Assumed non-life premium growth unchanged at 2-3%
- Assumed CR for full year 2014 adjusted from 90-91 to around 89 excl. run-off in H2 2014
- Profit forecast model for 2014 upgraded by DKK 150m to DKK 1,300-1,400m excl. run-off in H2 2014 ~ EPS of DKK 12.5

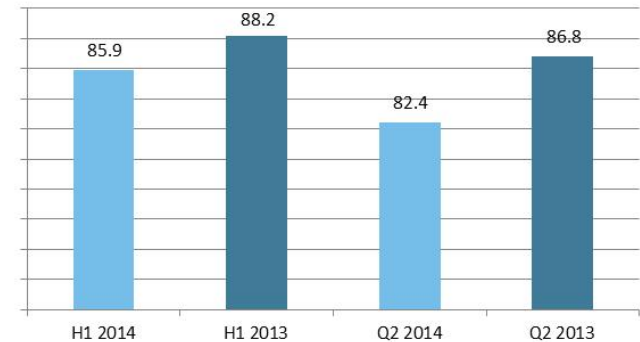
Share buy-back

- Buy-back programme for 2014 increased by DKK 150m to DKK 2,050m
 - Buy-back yield: 11.3%
- Balance of DKK 1,040m of buy-back programme for 2014

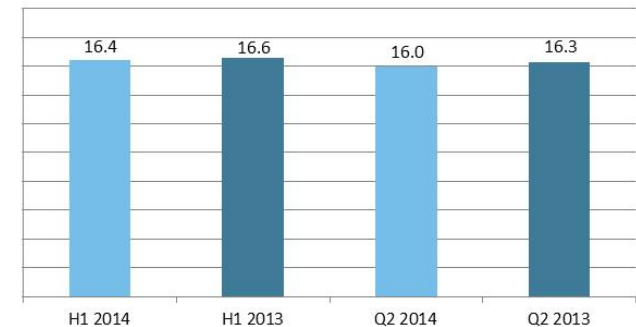
Profit (DKKm)



Combined ratio

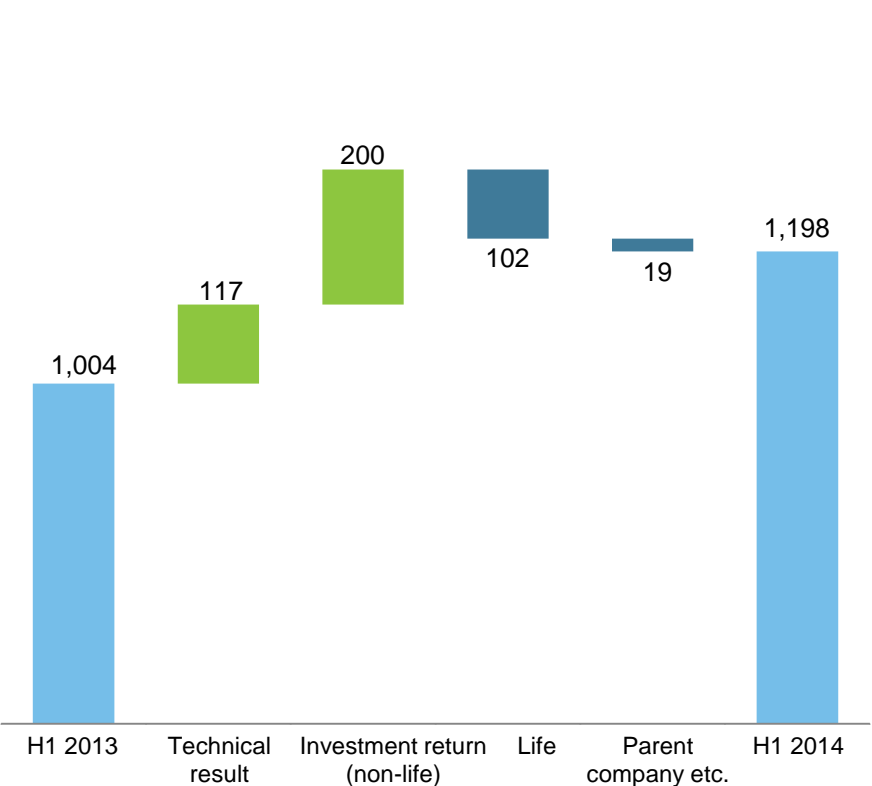


Expense ratio

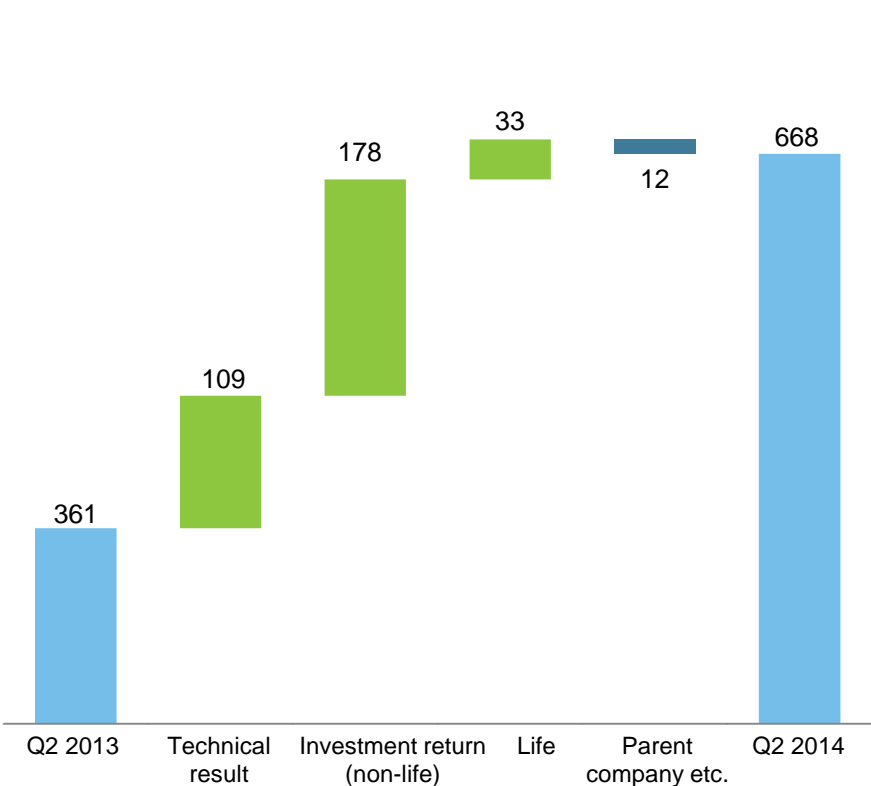


TREND IN PRE-TAX RESULTS

H1 2013-H1 2014

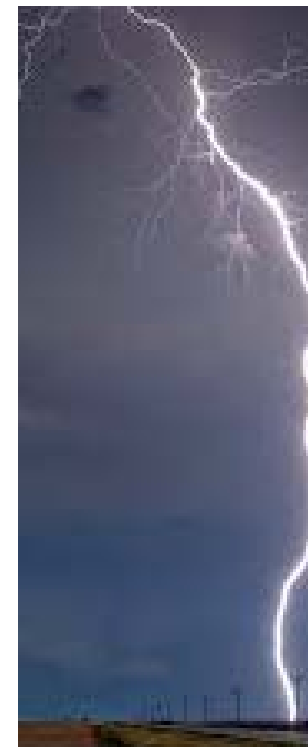
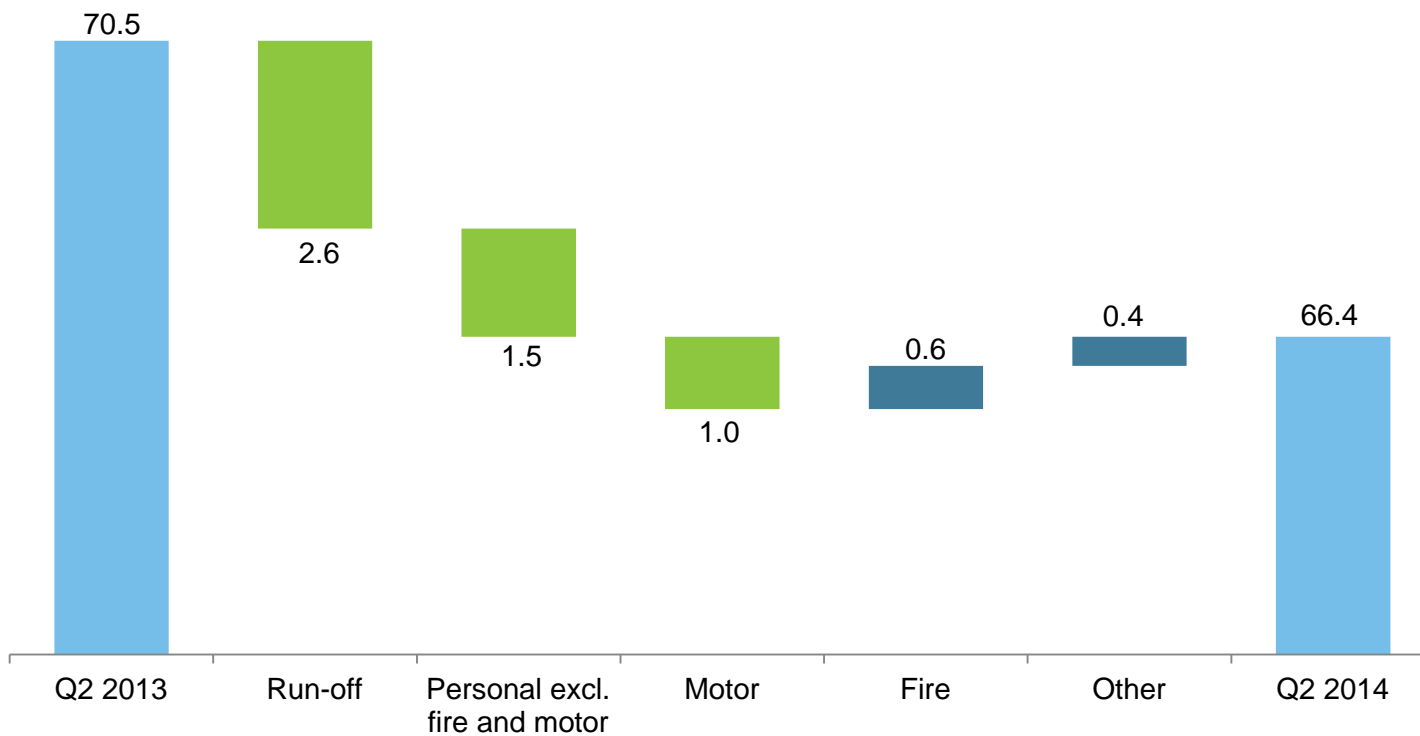


Q2 2013-Q2 2014



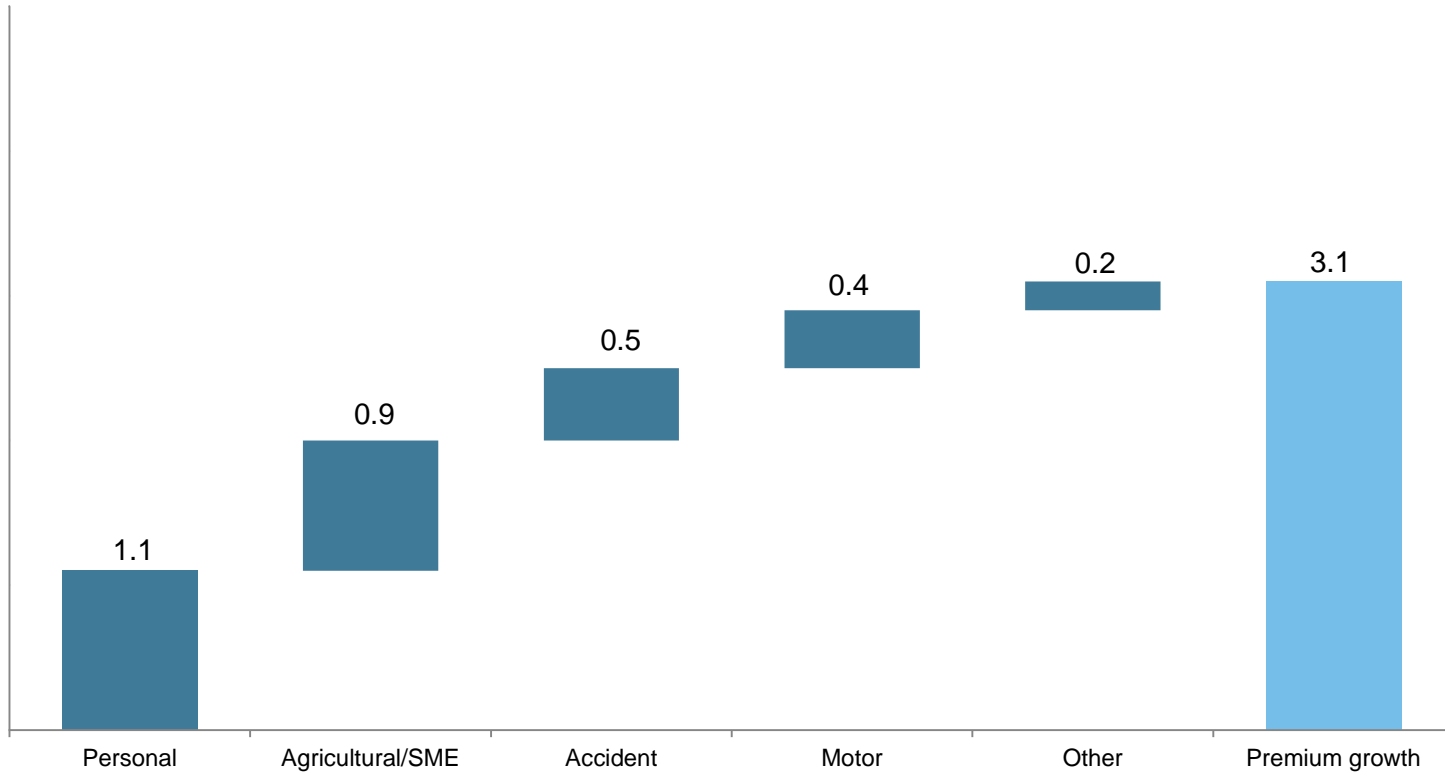
CLAIMS TREND

Q2 2013-Q2 2014

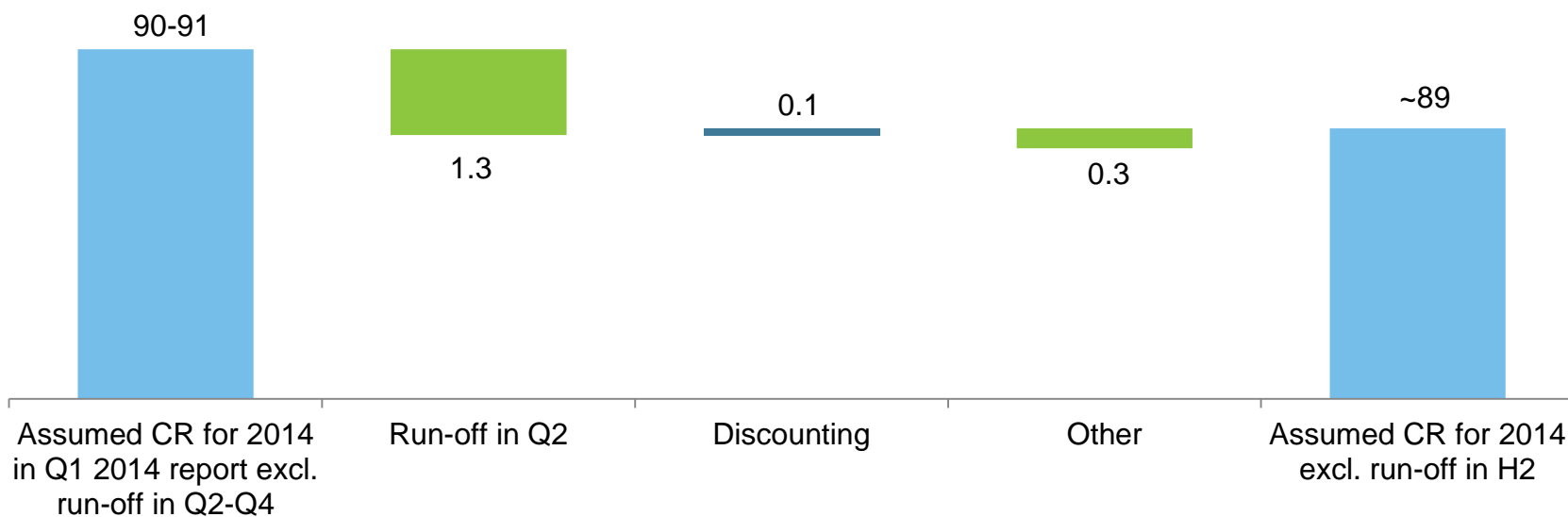


PREMIUM GROWTH (%)

H1 2013-H1 2014



ASSUMED CR ADJUSTED FROM 90-91 TO AROUND 89 FOR 2014 EXCL. RUN-OFF IN H2 2014



Assumptions for CR in 2014

- A normal year for weather with weather-related claims of DKK 95m in H2
- A level of interest rates corresponding to the interest rate curve on 8 August 2014
- An expense ratio slightly lower than 16



RESULTS – LIFE INSURANCE

Result of life insurance (DKK _m)	Full year 2013	Q2 2013	Q2 2014	H1 2013	H1 2014
Investment return	100	16	45	41	73
Risk return	164	38	37	78	74
Transferred, shadow account	171	(17)	(9)	118	(12)
Other	7	(8)	(11)	1	0
Profit on life insurance	442	29	62	238	136
Maximum shadow account end of period	72			121	84
Estimated value of shadow account end of period	10			74	17



PROSPECTS FOR LIFE INSURANCE 2014

- Improved competitiveness due to favourable investment returns
- Assumed growth of 0-5% in regular premiums in 2014
- Assumed recognition as income of the full risk return of DKK 140-150m from all interest rate groups
- Risk return and shadow account will be considered when finalising the 2014 Annual Report



INVESTMENT RETURN

- FOR TOPDANMARK GROUP EXCL. LIFE INSURANCE

Investment return	Portfolio 30 June											
	2013		2014		Return Q2 2013		Return Q2 2014		Return H1 2013		Return H1 2014	
	(DKKbn)		(DKKbn)		(DKKbn)	%	(DKKbn)	%	(DKKbn)	%	(DKKbn)	%
Danish equities	0.4	0.5	0	(0.3)	36	7.0	36	9.6	96	20.5		
Foreign equities	0.8	0.8	13	1.4	37	4.2	54	6.4	48	5.5		
Government and mortgage bonds	11.6	10.4	(1)	0.0	70	0.6	50	0.4	163	1.5		
Credit bonds	0.5	0.4	4	0.7	6	1.5	17	3.0	16	3.5		
CDOs	0.8	0.8	65	8.4	40	5.7	118	15.7	81	11.5		
Properties	1.4	1.4	19	1.4	18	1.2	38	2.7	34	2.4		
Assets related to I/A	2.1	2.2	(3)	(0.2)	66	3.1	38	1.8	121	5.8		
Money market etc.	3.7	3.7	(21)	(0.6)	(8)	(0.2)	(24)	(0.7)	(11)	(0.4)		
Subordinated loan capital	(1.2)	(1.2)	(15)	(1.3)	(14)	(1.2)	(31)	(2.6)	(29)	(2.5)		
Interest-bearing debt	(1.1)	(0.1)	(1)	(0.2)	(2)	(0.9)	(2)	(0.4)	(3)	(1.0)		
	19.0	19.0	59	0.3	249	1.3	295	1.5	516	2.8		
Asset management			16		12		31		22			
Total investment return			75		261		326		539			
Transferred return technical provisions												
Discounting			(38)		(39)		(76)		(83)			
Technical interest			(4)		(3)		(9)		(6)			

The exposure in foreign equities and credit bonds has been adjusted by the 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 2014

Profit forecast 2014 (DKKm)	Results 2013		Forecast 2014		Forecast 2014	
			9 May 2014		8 August 2014	
Non-life insurance						
- Technical result	765	870	-	920	980	- 1,030
- Investment return after transfer to technical result etc.	595	380	-	430	470	- 520
Profit on non-life insurance	1,361	1,250	-	1,350	1,450	- 1,550
Life insurance	442	200	-	230	200	- 230
Parent company etc.	73	20	-	30	10	- 20
Pre-tax profit	1,875	1,470	-	1,610	1,660	- 1,800
Taxation	(407)	(320)	-	(360)	(360)	- (400)
Profit for the year	1,468	1,150	-	1,250	1,300	- 1,400

Representing EPS of DKK 12.5

BUY-BACK FOR 2014 UPGRADED BY DKK 150M TO DKK 2,050M

- Buy-back yield of 11.3%
- To date in 2014 shares of DKK 1,010m bought back
- Leaving a balance of DKK 1,040m of buy-back for 2014
- Since 1998 Topdanmark has cancelled 72.1% of outstanding shares

- From 2000 to 2013 average buy-back yield of 9.5%



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 trends in the reinsurance market. See also www.topdanmark.com → Investor → [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 give their own careful consideration to 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 interim report for H1 2014.

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