

TOPDANMARK'S Q1 2014 RESULTS



HIGHLIGHTS – Q1 2014

- Q1 2014: Profit of DKK 418m (Q1 2013: 505m)
- Underlying improvement in results as Q1 2013 benefitted from a DKK 136m transfer from shadow account
- EPS: DKK 3.8 (Q1 2013: DKK 4.1)

- CR improved marginally from 89.6 in Q1 2013 to 89.5 in Q1 2014
- Excl. run-off CR improved from 93.9 to 92.0 in Q1 2014

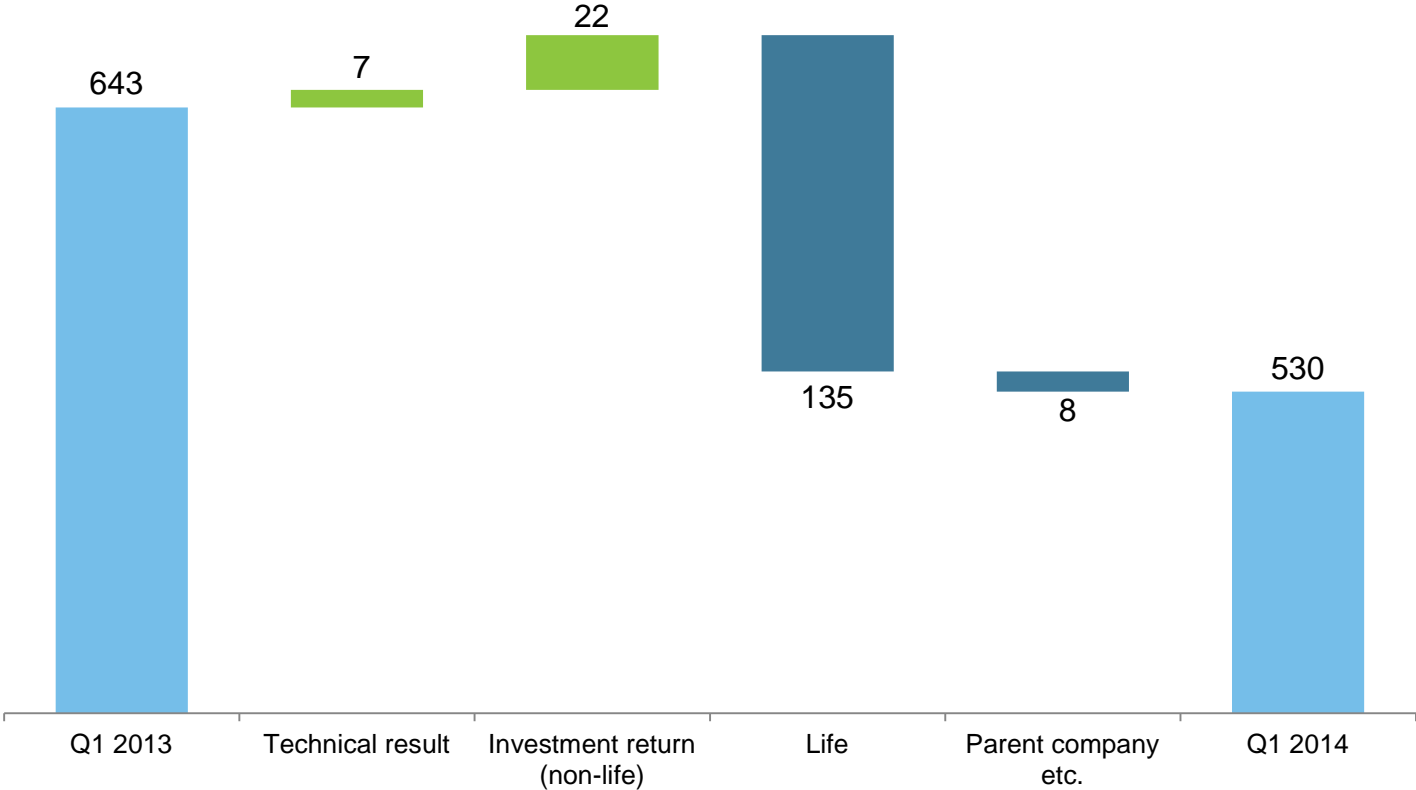
- Premium growth: 3.4% in non-life insurance and 24.0% in life insurance
- Profit on life insurance declined from DKK 209m to DKK 74m
- Investment return improved from DKK 251m to DKK 278m

Profit forecast model for 2014

- Assumed non-life premium growth unchanged at 2-3%
 - Assumed CR for full year 2014 adjusted from 91-92 to 90-91, excl. run-off in Q2-Q4 2014
 - Profit forecast model for 2014 upgraded by DKK 200m to DKK 1,150-1,250m , excl. run-off in Q2-Q4 2014
- Buy-back programme for 2014 increased by DKK 200m to DKK 1.9bn
 - Buy-back yield: 10.9%

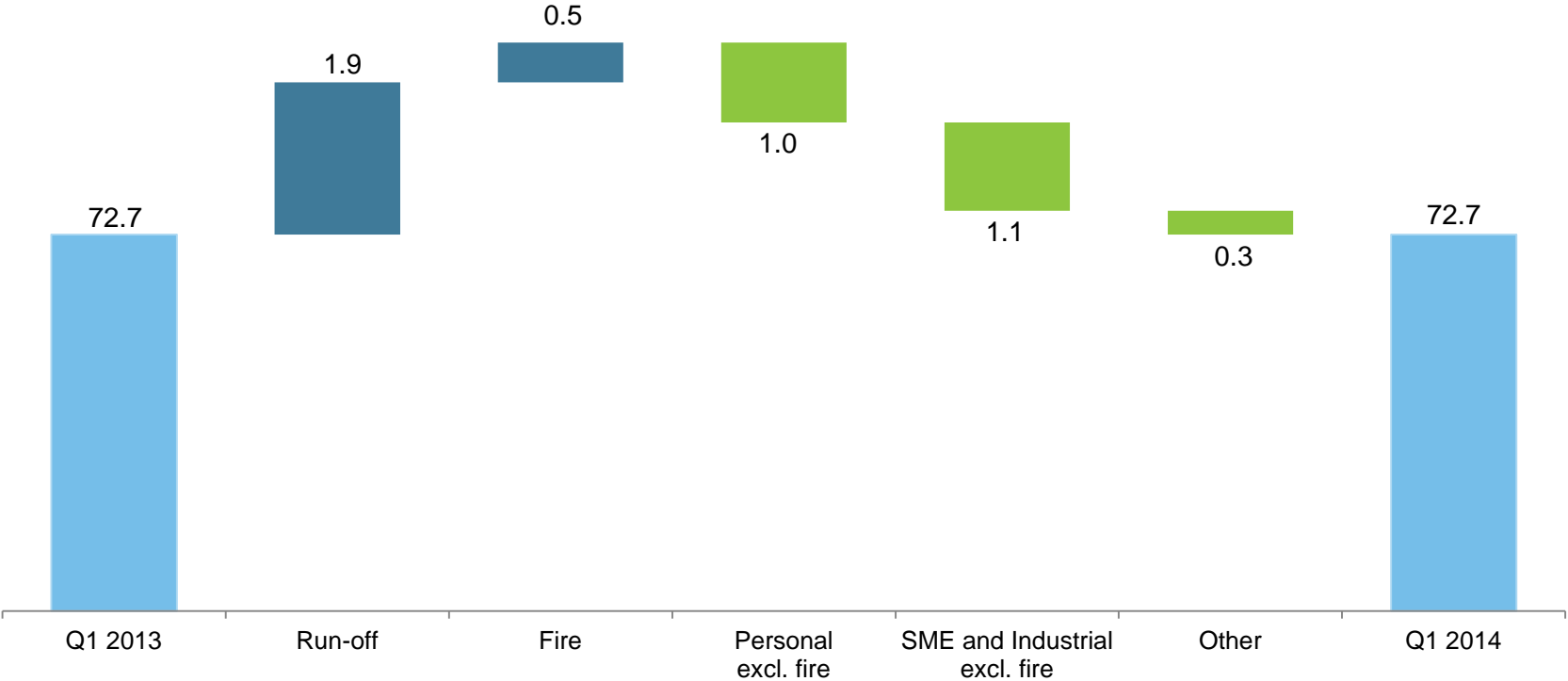
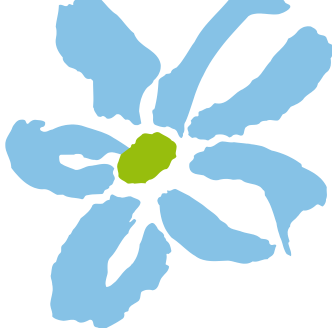
TREND IN PRE-TAX RESULTS

Q1 2013-Q1 2014

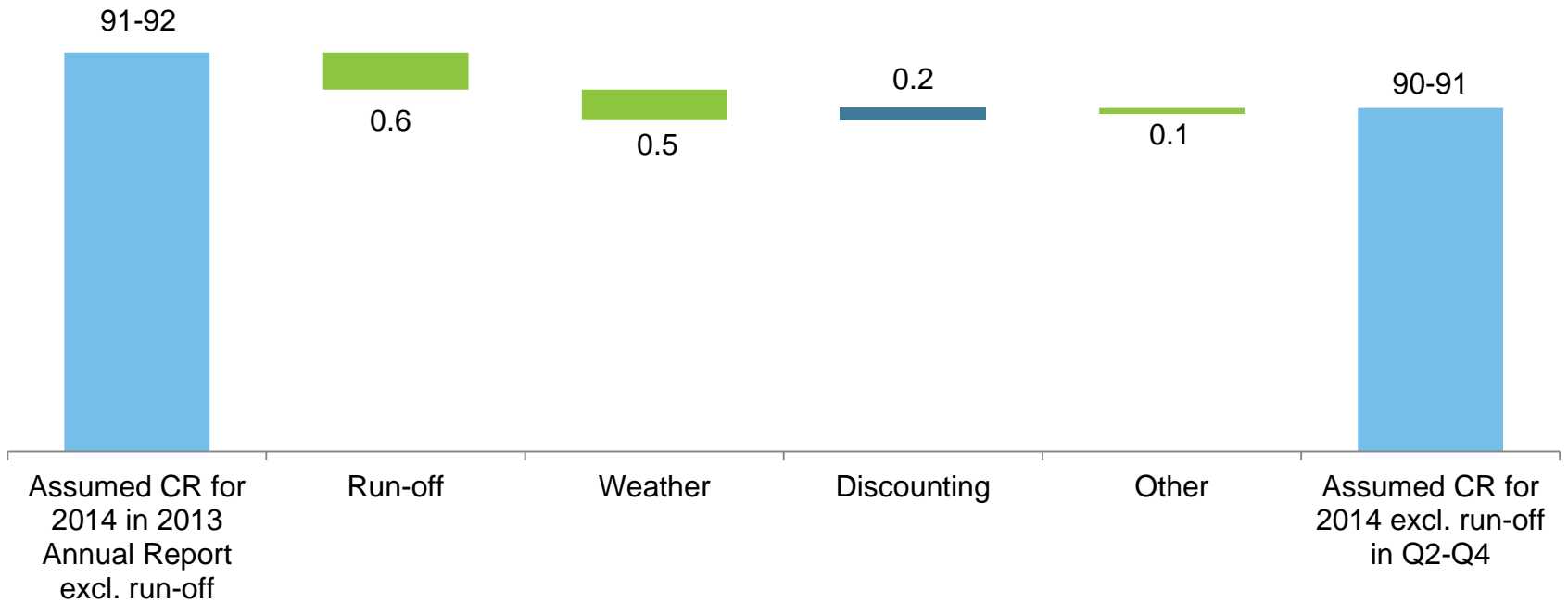


CLAIMS TREND

Q1 2013-Q1 2014



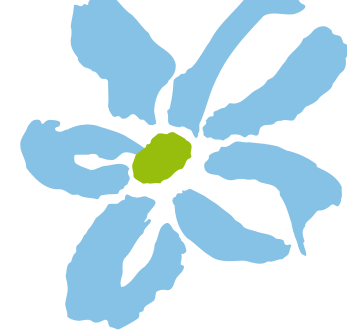
ASSUMED CR ADJUSTED FROM 91-92 TO 90-91 FOR 2014 EXCL. RUN-OFF IN Q2-Q4



Assumptions for CR in 2014

- A normal year for weather with weather-related claims of DKK 120m in Q2-Q4
- A level of interest rates corresponding to the interest rate curve on 9 May 2014
- An expense ratio just under 16

RESULTS – LIFE INSURANCE



Result of life insurance (DKKm)	Full year 2013	Q1 2013	Q1 2014
Investment return	100	25	28
Risk return	164	40	37
Transferred, shadow account	171	136	(3)
Other	7	9	12
Profit on life insurance	442	209	74
Maximum shadow account end of period	72	103	76
Estimated value of shadow account end of period	10	68	11

PROSPECTS FOR LIFE INSURANCE 2014

Improved competitiveness due to favourable investment returns

Unchanged assumed growth of 0-5% in regular premiums in 2014

Assumed recognition as income of the full risk return from all interest rate groups of DKK 140-150m

Expected balance of maximum shadow account at the end of 2014: DKK 70-80m

Concept of shadow account is expected to be removed at the end of 2014. It is not yet clear what will replace it

- One possibility is that the amount of the shadow account balance that is reasonably expected to be recognised as income in keeping with the relevant rules will be posted to shareholders' equity on 1 January 2015
 - In this case Topdanmark estimates that the shadow account would be required to be written down to around DKK 10m

Risk return and shadow account will be considered when finalising the 2014 Annual Report



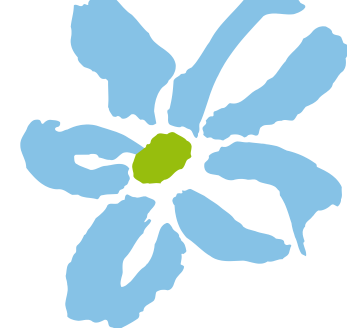
INVESTMENT RETURN

- for Topdanmark Group excl. life insurance

Investment return	Portfolio 31 March		Return Q1 2013		Return Q1 2014	
	2013 (DKKbn)	2014	(DKKbn)	%	(DKKbn)	%
Danish equities	0.4	0.5	36	9.9	60	12.7
Foreign equities	0.8	0.8	41	4.9	11	1.2
Government and mortgage bonds	11.0	11.4	52	0.5	93	0.8
Credit bonds	0.5	0.4	13	2.3	10	1.9
CDOs	0.8	0.7	53	6.8	41	5.5
Properties	1.4	1.4	19	1.4	16	1.1
Assets related to I/A	2.2	2.2	42	2.0	55	2.7
Money market etc.	4.5	3.2	(3)	(0.1)	(3)	(0.1)
Subordinated loan capital	(1.2)	(1.2)	(15)	(1.3)	(15)	(1.3)
Interest-bearing debt	(0.6)	(0.2)	(1)	(0.2)	(0)	(0.1)
	19.8	19.4	235	1.2	267	1.5
Asset management			15		11	
Total investment return			251		278	
Transferred return technical provisions						
Discounting			(37)		(44)	
Technical interest			(6)		(3)	

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 21 Februar 2014		Forecast 2014 9 May 2014	
Non-life insurance					
- Technical result	765	770	- 820	870	- 920
- Investment return after transfer to technical result etc.	595	250	- 300	380	- 430
Profit on non-life insurance	1,361	1,020	- 1,120	1,250	- 1,350
Life insurance	442	200	- 230	200	- 230
Parent company etc.	73	20	- 30	20	- 30
Pre-tax profit	1,875	1,240	- 1,380	1,470	- 1,610
Taxation	(407)	(290)	- (330)	(320)	- (360)
Profit for the year	1,468	950	- 1,050	1,150	- 1,250

Representing EPS of DKK 11.2

BUY-BACK OF DKK 1.9BN IN 2014

- Increased from DKK 1.7bn to DKK 1.9bn
- Buy-back yield of 10.9%
- To date in 2014 shares of DKK 593m bought back
- Leaving a balance of DKK 1,307m 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 the 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 Q1 2014.

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