

TOPDANMARK 2014 RESULTS



HIGHLIGHTS

2014

- Post-tax profit increased 6.1% to DKK 1,558m
- EPS increased 15.2% to DKK 14.4
- CR: 86.0 (2013: 91.5)
- CR excl. run-off: 89.8 (2013: 95.0)
- Premium growth: Non-life 2.6% and life 26.7%

Q4 2014

- Post-tax profit increased 21.3% to DKK 304m
- EPS increased 31.8% to DKK 2.9
- CR: 83.6 (Q4 2013: 100.4)
- CR excl. run-off: 87.5 (Q4 2013: 104.9)
- Premium growth: Non-life 1.8% and life 12.6%

Profit forecast model for 2015

- Assumed CR improved from around 91 to 90-91 excl. run-off
- Assumed non-life premium growth changed from 1-2% to around 0%
- Profit forecast model of DKK 900-1,000m ~ EPS of DKK 9.5

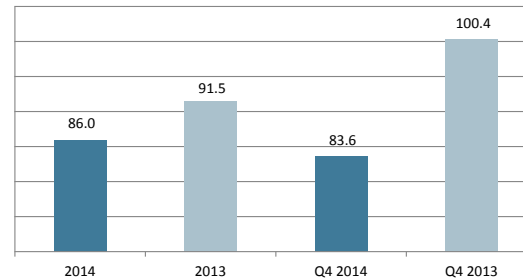
Share buy-back

- Share buy-back of DKK 1.8bn in 2015 (buy-back yield of 7.8%)

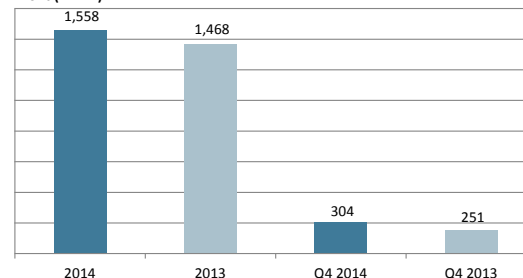
Change of Chairman

- Søren Thorup Sørensen new Chairman of Board of Directors

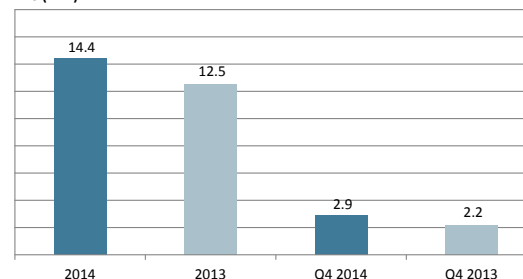
Combined ratio



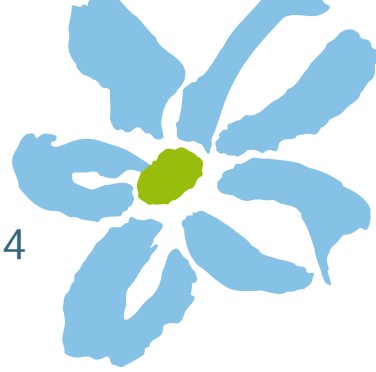
Profit (DKKm)



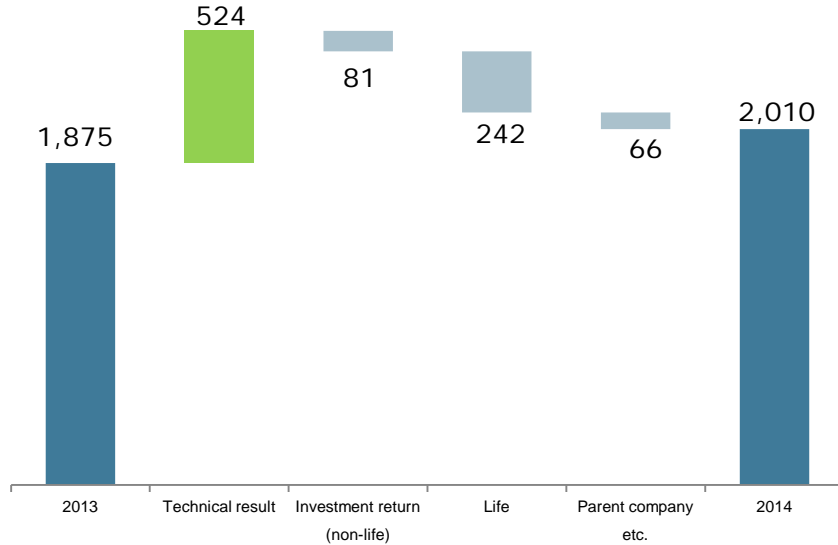
EPS (DKK)



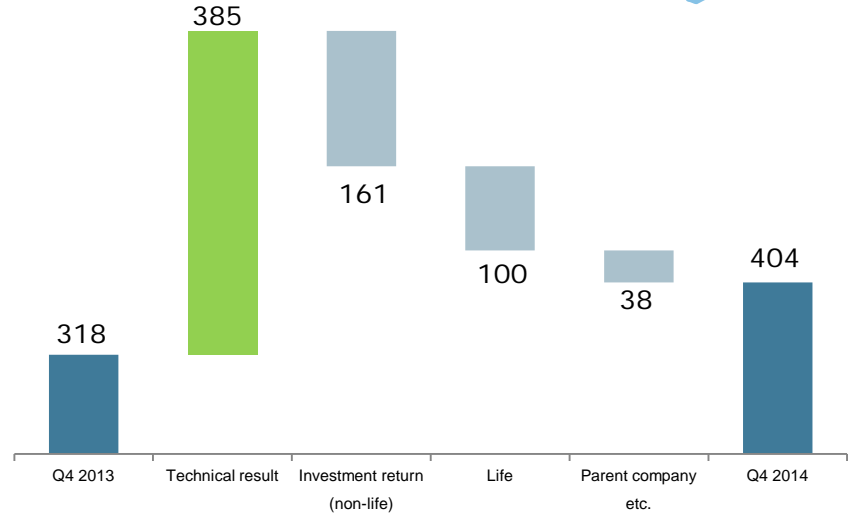
TREND IN PRE-TAX RESULTS



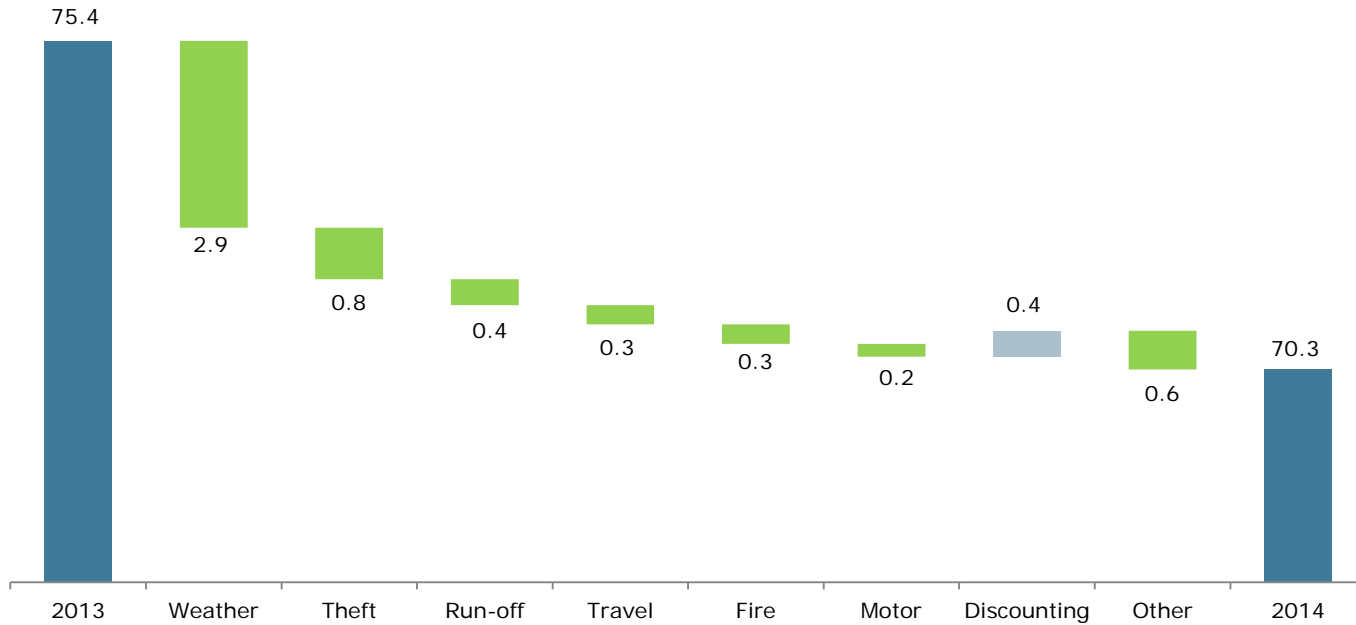
2013-2014



Q4 2013-Q4 2014

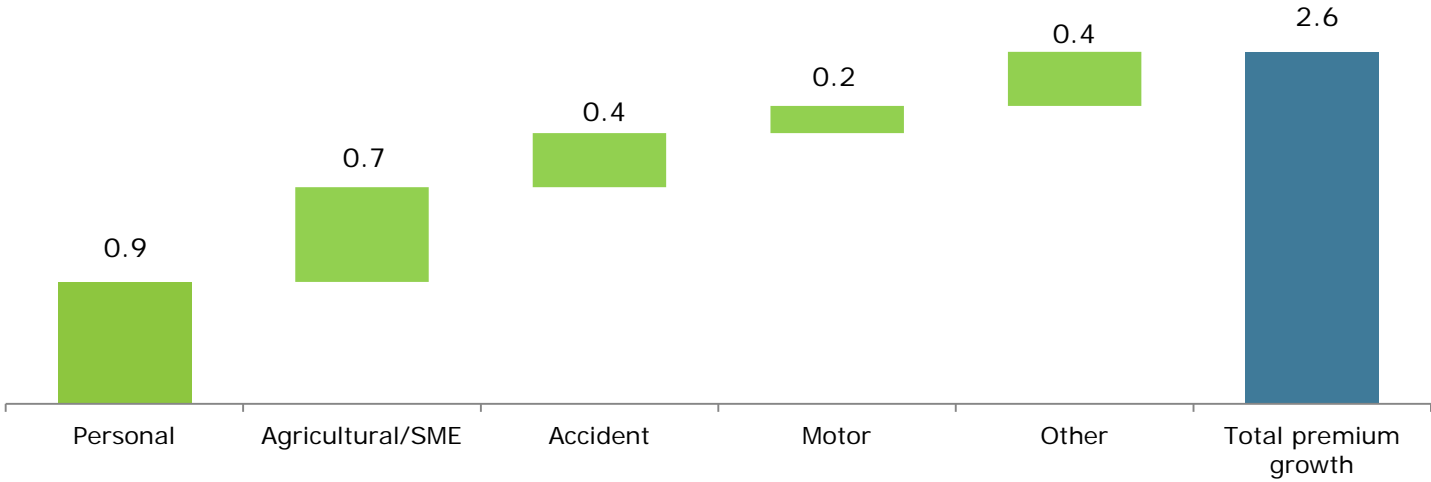


CLAIMS TREND 2013-2014

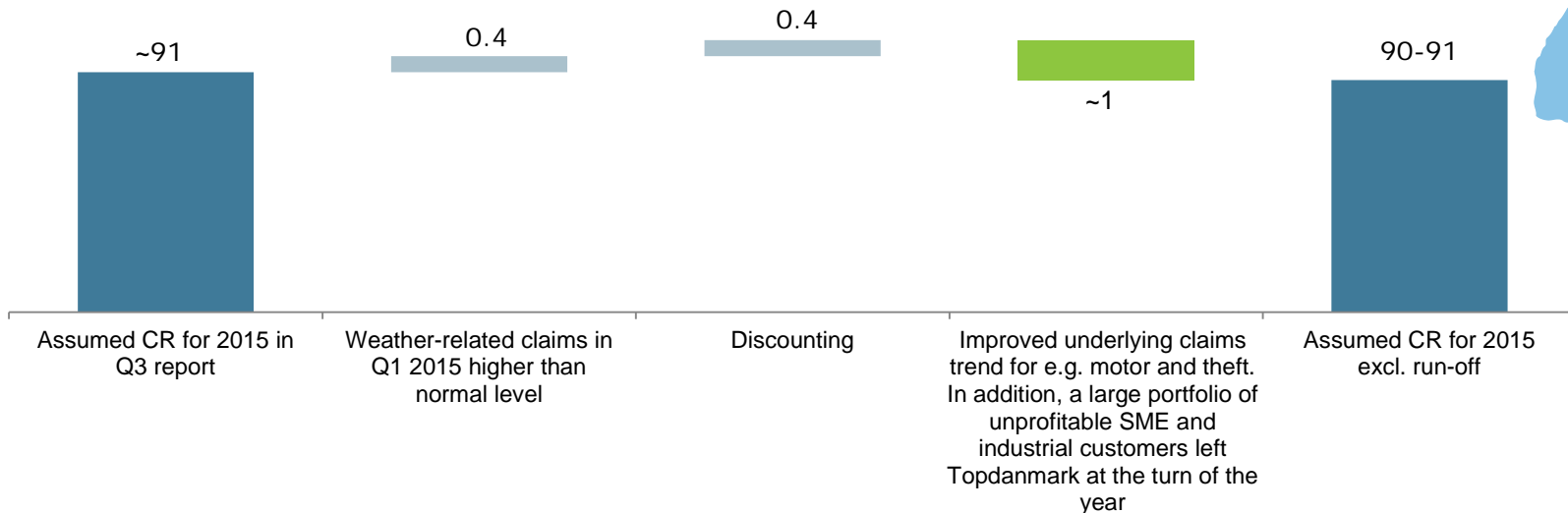


PREMIUM GROWTH (%)

2013-2014



ASSUMED CR OF AROUND 90-91 FOR 2015 EXCL. RUN-OFF

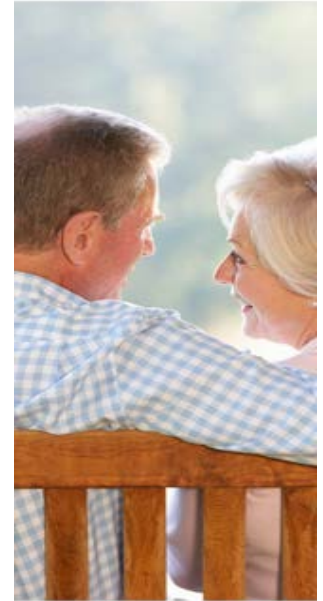


Assumptions for CR in 2015

- Assumed claims of DKK 40m on the storm in Q1 2015. In addition, weather-related claims of DKK 50m in the remainder of Q1 2015
- 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 5 February 2015
- An expense ratio lower than 16

RESULTS – LIFE INSURANCE

Result of life insurance (DKKm)	Q4	Q4	2013	2014
	2013	2014		
Investment return	29	5	100	101
Risk return	46	35	164	145
Transferred, shadow account	22	(9)	171	(5)
Other	5	(29)	7	(41)
Profit on life insurance	102	2	442	200
Maximum shadow account end of period			72	26
Estimated value of shadow account end of period			10	26



PROSPECTS FOR LIFE INSURANCE 2015

- Improved competitiveness due to favourable investment returns and low cost contributions from customers
- Assumed growth of 0-5% in regular premiums in 2015 (primarily unit-linked schemes)
- As compared to 2014, 2015 profit will be impacted by:
 - Lower return on shareholders' equity
 - Cost deficit
 - Lower risk allowance
 - Drain on resources due to implementation of a new administration system
- Expected post-tax profit of around DKK 120-150m

INVESTMENT RETURN

- FOR TOPDANMARK GROUP EXCL. LIFE INSURANCE

Investment return	Portfolio 31 Dec													
	2013		2014		Return Q4 2013		Return Q4 2014		Return 2013		Return 2014			
	(DKKbn)		(DKKkm)		%		(DKKkm)		%		(DKKkm)		%	
Danish equities	0.5	0.4	34	7.7	(16)	(2.6)	120	33.2	84	18.0				
Foreign equities	0.8	0.7	53	6.2	14	1.7	137	17.1	64	7.3				
Government and mortgage bonds	11.0	10.5	59	0.5	23	0.3	176	1.6	239	2.3				
Credit bonds	0.5	0.4	1	0.2	2	0.5	38	6.8	21	5.0				
CDOs	0.9	0.7	53	6.5	(11)	(1.3)	205	28.4	89	12.7				
Properties	1.4	1.4	15	1.1	5	0.4	75	5.4	39	2.9				
Assets related to I/A	2.0	2.1	29	1.4	34	1.6	98	4.8	193	9.4				
Money market etc.	2.5	3.2	(16)	(0.5)	(14)	(0.4)	(35)	(1.1)	(30)	(0.9)				
Subordinated loan capital	(1.2)	(1.2)	(18)	(1.6)	(16)	(5.3)	(61)	(5.3)	(61)	(5.3)				
Interest-bearing debt	(0.7)	(0.4)	1	0.1	(0)	(0.7)	(5)	(0.8)	(2)	(0.7)				
	17.6	17.8	212	1.2	22	0.1	748	4.1	636	3.4				
Asset management			71		38		118		76					
Total investment return			283		60		866		711					
Transferred return technical provisions														
Discounting			(47)		(29)		(168)		(147)					
Technical interest			(2)		(1)		(14)		(8)					

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. The return on properties includes revaluation and reversed revaluation of owner-occupied property, which has been included in other comprehensive income.



PROFIT FORECAST MODEL FOR 2015

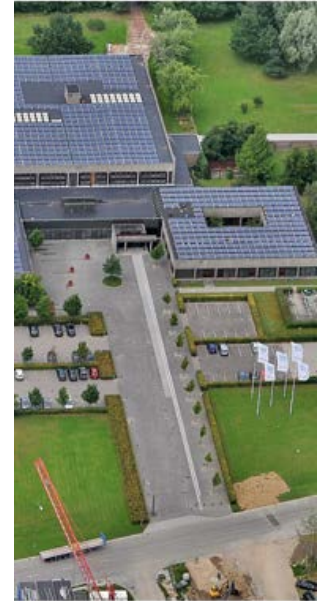
Profit forecast 2015 (DKKm)	Results	Forecast 2015		
	2014	5 February 2015		
Non-life insurance				
- Technical result	1,289	850	-	900
- Investment return after transfer to technical result etc.	514	180	-	210
Profit on non-life insurance	1,803	1,030	-	1,110
Life insurance	200	120	-	150
Parent company etc.	7	30	-	40
Pre-tax profit	2,010	1,180	-	1,300
Taxation	(452)	(280)	-	(300)
Profit for the year	1,558	900	-	1,000

Representing EPS of DKK 9.5



BUY-BACK OF DKK 1.8bn IN 2015

- Actual buy-back for 2014 was DKK 1,716m
 - Buy-back yield of 9.6%
- Buy-back programme of DKK 1.8bn for 2015
 - Incl. transfer of DKK 384 from 2014
 - Conversion of shareholders' equity of DKK 250m to tier 2 capital
- To date this year share buy-back of DKK 153m of 2015 buy-back programme
- Leaving a balance of DKK 1,647m of buy-back for 2015
- The buy-back of DKK 1.8bn represents a buy-back yield of 7.8%
 - From 2000 to 2014 average buy-back yield of 9.5%
- Since 1998 Topdanmark has cancelled 72.1% of outstanding shares
 - Average share price: DKK 44



SØREN THORUP SØRENSEN NEW CHAIRMAN OF BOARD OF DIRECTORS

- Michael Pram Rasmussen, Chairman of Topdanmark's Board of Directors, has chosen not to stand for re-election at the AGM on 15 April 2015
- Søren Thorup Sørensen, present Deputy Chairman, expected to take over the role as Chairman
- Torbjörn Magnusson expected to be appointed as Deputy Chairman
- Change of Chairman fully supported by entire Board of Directors
- Change of Chairman expected to take place at an ordinary Board meeting on 4 March 2015
- Søren Thorup Sørensen: "Business as usual"



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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 announcement of 2014 annual results.

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